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Daily Report

Latin America

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Cuba

Cuban Government Releases 3 Political Prisoners

PA1002204496 Mexico City NOTIMEX in Spanish 1656 GMT 10 Feb 96

[FBIS Translated Text] Havana, 10 Feb (NOTIMEX) — U.S. Democratic Congressman William Richardson will fly today from Havana to the United States with three Cuban dissidents who were released by Fidel Castro's government, it was reported today.

Richardson arrived on Friday afternoon in Havana aboard a U.S. Air Force airplane and met with Castro for two hours, sources close to the lawmaker stated.

The Cuban Government decided to release Carmen Julio Arias, Luis Grave, and Ernesto Ramon Prida, who were jailed for crimes against the security of the state and will leave the country with Richardson. The New Mexican lawmaker met last month with Castro and requested the release of 10 prisoners.

U.S. Congressman, U.S. Labor Leaders Meet in Cuba

PA1002204896 Havana PRENSA LATINA in Spanish 1824 GMT 10 Feb 96

[FBIS Translated Text] Havana, 10 Feb (PL) — Bill Richardson, Democratic representative of New Mexico, voiced his optimism today about President Bill Clinton's reelection chances.

Richardson, who was on a brief private visit here, met this morning with U.S. labor leaders who concluded a three-day visit today by invitation from the Cuban Workers Federation (CTC).

The congressman urged the labor leaders to give their political support to Clinton's reelection campaign.

Richardson arrived yesterday and left for his country shortly after noontime.

During the meeting, the labor representatives conveyed to Richardson their satisfaction over the results of their meetings with health, foreign investment, labor, and social security officials, among others.

William Hagner Jr., of the powerful transportation organization (Teamsters) and head of the U.S. labor delegation, favored the lifting of U.S. restrictions on the island.

Hagner said that given that the United States maintains trade of millions of dollars with countries such as China and Vietnam, he sees no reason why U.S. companies should continue to be excluded from the Cuban market, and he asked Richardson to convey this opinion to the Congress and the Democratic administration.

"This was a very beneficial experience: We have a better understanding of the Cuban political and economic system and its labor-management relations, and we want to maintain a more active exchange with Cuban unions," the transportation leader pointed out.

Cuban Commentary on U.S. Certification of War on Drugs

PA0902152296 Havana Radio Rebelde Network in Spanish 1800 GMT 5 Feb 96

[Commentary by Orlando Contreras from the "National Radio News" newscast]

[FBIS Translated Text] In the Middle Ages, the papacy held an unchecked ideological and political role in a world marked by national states in their embryonic stage. During the Renaissance, with the emergence of city-states and the growth in trade and navigation, the papacy, despite the lewdness of some of its princes and ghastly crimes, held powers that either condoned or condemned men and states, cities and counties, artists and scientists. Even Dante, the writer of a colossal aesthetic marvel of passions and feelings within the then accepted theological order—that is, "The Divine Comedy"—experienced the consequences of their displeasure.

With such unchecked powers, in a budding world limited by the knowledge of the era that assumed the world was flat and abysmal depths awaited beyond its edges, one can understand the supranational powers of the popes, whose mandate descended from the heavens and was so accepted by the prevailing culture. In light of today's reality, at the threshold of a new millennia and after a century in which science and technology have progressed more than in the entire history of mankind, such a supranational power, similar to the papacy of the Middle Ages, should no longer be tolerated, because it negates values that have cost much effort and pain to the entire human specie.

The democratization of international relations, as endorsed by the UN Charter, should have become a tangible reality rather than mere words on paper, but the United States continues to hold a hegemonic, military-police power despite the history accumulated thus far. One expression of that power is the prerogative Washington bestows upon itself, just as in the times of the Borgias, when it certifies independent and sovereign states as good or bad in the war on drugs, as is the case with Colombia, which has decided in compliance with its own sovereign laws to judge and punish drug criminals in the country rather than extraditing them to the United States. This position for Colombia could mean not receiving a good conduct benediction.

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United States used as a reason for the hostile policies of its administration on the largest Antillean nation.

"The Cuban Army is completely defensive and very professional, Carroll pointed out while noting the armed forces' impossibility of attacking his country, because the local armed forces' budget is less than 1 percent of the budget of their U.S. counterpart. [no closing quotation mark as received]

Meanwhile, Robert White, president of the International Policies Center headquartered in Washington, told PRENSA LATINA that his country has a widespread understanding that the policies on Cuba have no future or validity.

According to the visitor, they traveled to the Caribbean nation seeking tangible elements to support this abstract assertion and, at the same time, to force politicians to change their current positions.

In this regard, White underscored that the Juragua Electronuclear Plant, located 256 km off Havana, could play an important role in the effort to lift the 30-year-old U.S. blockade on Cuba because of the fatal consequences the lack of communications and cooperation between the two countries could have on humankind.

"The United States is convinced that the CEN [electronuclear plant] will be a reality; it is a serious issue and demands bilateral cooperation," White said, adding that this plant does not pose any danger for either one of the two nations.

As for his plans following the visit, Carroll explained that they will use their media — press and television — to make North Americans and the government aware of Cuba's reality.

"Personally," he affirmed, "I will inform the Pentagon that the island is not a threat to our national security."

Questioned on the possibility of the Guantanamo Base, which is a U.S. military enclave located 910 km off the capital, being returned to the Cuban Government, the former high-ranking official said that this territory is not used with military purposes and that it has no strategic significance.

The return of this portion of land should be a tangible step for his country toward the normalization of relations with Cuba as it does not adversely affect the United States' security, he concluded.

Following a five-day stay in the island, the U.S. delegation, which is made up by four former generals and two former diplomats, left today for Florida, where they will hold a news conference this afternoon on the results of the visit.

Cuban Health Vice Minister Addresses Pastors for Peace

PA0902223896 Havana Radio Rebelde Network in Spanish 1255 GMT 7 Feb 96

[From the "Doing Radio" newscast]

[FBIS Translated Text] Concerning the topic of solidarity, the U.S. authorities snatched the computers from the members of Pastors for Peace, but not their hearts. Here is Zenaida Costales with a report.

[Costales] Public Health Vice Minister Ramon Diaz gave a news conference on the impact of the U.S. blockade on the health sector to the members of the Pastors for Peace peace caravan. Recently, the members of this organization were stopped on the U.S.-Mexico border solely because they wanted to bring humanitarian aid to Cuba. The Cuban official referred, among other aspects, to the fact that Cuba has no access to U.S. markets has jumped the price of medicines; its loss of suppliers; and the pressure being exerted to prevent key information and vital materials from reaching the island.

[Begin Diaz recording] Despite its many financial shortcomings, this is a very successful national program for the detection of breast cancer in our women. However, there is an x-ray film that we need to get because it reduces the amount of radiation our women are exposed to. It is the (IR) x-ray film, manufactured by a U.S. company, which cannot sell to us because logically, this company complies with the laws stipulated by its government via the blockade. In other words, such a noble program as the detection of cancer [word indistinct] in Cuban women — breast cancer — cannot yield the optimum results it could because of the U.S. blockade. [end recording]

[Costales] Minister Diaz also praised the Cubans' efforts to maintain the country's health levels and thanked those people who, from the United States, challenge the U.S. blockade and support Cuba.

[Begin Diaz recording] We much appreciate your attitude of solidarity with Cuba and that of all the countries in general — the North Americans, French, British, Mexicans, and Argentines. In general, all of the honest people worldwide are helping us to deal with the negative repercussions of the unsound economic situation that followed the collapse of the socialist bloc and the tightening of the U.S. blockade, and to uphold the progress that we have made in the areas of health and education. [end recording]

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Cuba's Resumption of Relations With Haiti 'Significant'

PA0902184496 Havana PRENSA LATINA in Spanish 0048 GMT 9 Feb 96

[FBIS Translated Text] Havana, 8 Feb (PL) — Cuban Foreign Relations Minister Roberto Robaina returned to Havana today from Haiti, where he attended new Haitian President Rene Preval's inauguration.

During his visit to Port-au-Prince, Robaina, along with Haitian Foreign Affairs Minister Fritz Longchamps, signed an agreement to resume bilateral diplomatic relations.

Robaina held individual meetings with President Preval and former Haitian President Jean-Bertrand Aristide to exchange opinions on how to conduct bilateral relations hereafter.

In this regard, Robaina conveyed the Cuban Government's willingness to send medical personnel to help improve health services in Haiti.

The Haitian authorities gladly welcomed this offer and expressed their desire to immediately initiate the necessary procedures.

The Cuban delegation's presence at the [words indistinct] was closely followed by Haitian and foreign media, and it served to confirm the sympathy and affection that the Haitian Government and people feel toward Cuba.

As part of his tight work schedule, Robaina held meetings with his counterparts from Colombia, Mexico, Venezuela, Jamaica, and Barbados, as well as with the Dominican vice president and the Argentine foreign minister.

In addition, Robaina met with the Spanish secretary for Ibero-American cooperation, the OAS secretary general, the UN under secretary general, and the UN representative in Haiti.

After returning to Havana, Robaina told reporters that his visit to Haiti eclipsed all expectations, stressing that resumption of diplomatic relations was a particularly significant event for both countries and for the Caribbean in general.

The resumption of diplomatic relations, he said, is unquestionably the best news that we can give to our peoples, who are brothers because of their history and culture in a unique geographic environment like the Caribbean.

Cuban Foreign Ministry Spokesman on Haiti, Robaina Trips

PA0902195296 Havana PRENSA LATINA in Spanish 1950 GMT 8 Feb 96

[FBIS Translated Text] Havana, 8 Feb (PL) — Cuban Foreign Ministry spokesman Miguel Alfonso said today Cuba is pleased with the renewal of diplomatic relations with Haiti.

In his weekly news conference, Alfonso stressed the Cuban Government's satisfaction with the reestablishment of these ties during the visit that Foreign Minister Roberto Robaina paid to Port-au-Prince. Robaina led the delegation to the inaguration of President Rene Preval.

The diplomatic ties between the two nations had been interrupted some 30 years ago. The agreement signed on Tuesday includes the corresponding exchange of ambassadors.

Alfonso also released an official Foreign Ministry statement condemning the violence used by the U.S. police and Customs agents against the Pastors for Peace group, which sought to give Cuba a donation of several hundred computers for hospitals on the island.

That action contrasts with the interest of U.S. citizens in sending to Cuba similar equipment for the use of individuals who share their political interests.

The spokesman also announced that, in response to invitations, Minister Robaina will leave Havana on 20 Februry for official visits to Norway, Denmark, and Finland.

Alfonso underlined that, among its main objectives, his country not only wants to strengthen its relations with Latin American and Caribbean nations but also with the Nordic countries.

Among the visits Cuba will be receiving soon, Alfonso mentioned that of Brazilian Communications Minister Sergio Motta, who will arrive in Havana on 17 February, and Venezuelan Foreign Minister Miguel Angel Burelli, who will visit in the second half of March.

Cuban Minister Holds News Conference on Ties With Haiti

PA1202012596 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Feb 96

[Report on news conference with Cuban Foreign Minister Roberto Gonzalez and unidentified local and foreign reporters by Barbara Betancourt at Isle of Youth Special Municipality; date not given]

[FBIS Translated Text] [Betancourt] Cuban Foreign Minister Roberto Robaina Gonzalez has commented on

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various aspects of Cuba's reality within the international context with local and foreign reporters during a tour of the Isle of Youth Special Municipality. The resumption of diplomatic relations with Haiti at the highest level was the first issue discussed during the dialogue with Robaina:

[Begin recording] [Reporter] The Haitian decision came as a surprise.

[Robaina] Perhaps the formal nature of the step came as a surprise. What is not a surprise is our relationship that is culturally and historically traditional; it exists between the peoples of Cuba and Haiti. I would say that this process, as I have said before, goes without saying. It goes without saying when we advance on a path of communications and exchanges.

We started new contacts with the Haitian Government after Aristide assumed power. As you know, Haiti initially experienced a very difficult domestic crisis. Cuba had stated its position publicly that Aristide should return to power. We never had differences with the Aristide government but with the way in which he returned to power.

After this phase was overcome there was a first gesture; our commander as invited to the inauguration. I would say that there was continuity in that government and the president himself had publicly voiced his wish to see the establishment of formal relations. In order to achieve that, the most important step had been taken, that is, the practical willingness of the countries, and a path that was opened last year — and perhaps the people did not hear much about this — we had already welcomed the ministers of science, technology, environment, and tourism. We continue to work on this process.

I think that, as the president said, this is a gift for the two peoples. Haiti is the country closest to us. Haiti is our closest neighbor and it is inconceivable that we had no relations for over 30 years. This is important and what we must now materialize it swiftly. This practical materialization is reflected by a Cuban government offer to send health personnel to meet the urgent needs of the Haitian population. We are working on this.

[Reporter] As for the most recent European Parliament decision with regard to relations with Cuba, how is the situation; how has the process advanced?

[Robaina] I would say that the European Parliament has not adopted a final decision. There are voices in this parliament that want this process to advance. There are opinions in this regard that we could agree or disagree. As a country we disagree with certain public statements regarding the way a dialogue should advance. There is something that is much more important than what is publicly stated. It is the fact that the dialogue has not stopped. That dialogue has continued and we maintain the same position. There is no banned topic when any topic is discussed with respect with Cuba. We never banned any topic when the European Union [EU] and the Troyka [as heard] came here. I would say that at present Isabel has continued such talks. In fact, as you know, [EU Commissioner Manuel] Marin is visiting, he arrived hours ago. He is here to continue talks.

There could be many opinions; within the EU there could be different opinions regarding our actions, but there are differences not only within the EU; here there are disagreements between our views and those of the EU. I think, however, that the EU and Cuba have overcome differences, and as a result, we will be able to advance. The negotiations continue.

[Reporter] Is the framework agreement for the short, medium, or long-term now?

[Robaina] More than that, I would say that efforts to reach that agreement have not been stopped. Now, we Cubans are not obsessed with this framework agreement. If we become obsessed, we would start thinking about an agreement and I think that a relationship is much more important than an agreement. If an agreement comes along with a relationship, we would welcome it. I think that applying pressure and getting ahead of ourselves would lead us to dedicate more time to issues on which we perhaps differ the most when we should advance on issues on which we have fewer differences.

[Reporter] Continuing with Europe, on the 20th [no month given] you begin a visit to Nordic countries. Does this have any connection with what we have been talking about or to any specific purpose?

[Robaina] In today's world of relations, I would say we have a special ties with the EU, which date back to the relations that had been particularly developed with those countries. I would say that today the great backdrop of those relations is our communication with the EU as a whole, and we want to continue expanding it. This particular visit .... [pauses] As you know, there has been a rapprochement with several countries, and we have made visits in response to official invitations from several countries. This is the first official invitation that we have received — I mean in this last phase following this process — since I have been in the Foreign Ministry to visit countries like Norway, Finland, and Denmark. These three countries. What remains to be decided is whether to include Sweden, and this is not because there are no plans to do so but because of scheduling problems that must be resolved. This is a part of Europe with which Cuba has a special relation in terms of commerce,

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although not just in terms of commerce. I would say we have a communication between us, and this is something that we witnessed in Denmark when Fidel attended the Copenhagen summit. The communication exists, despite the distance and climatic differences. These are countries that have a beautiful history of participating in social and economic projects, as well as other kinds of projects, with Cuba. I think that, now as part of the process, it would be of great use if we could discuss the topic of relations with the EU. In my opinion, we can do much more there. In addition to discussing that topic, we will see what those countries and Cuba can do jointly at time like this. We have a very strong bilateral agenda.

[Reporter] Are there reasons, since the latest decision by Cuban on emigration on the 1,000 humanitarian visas, to think that in the next round of talks progress will be made in other topics that Cuba has always unsuccessfully tried to bring to the fore.

[Robaina] The reasons have existed for a long time. Since we began the talks, we have had reasons to advance at a better pace. I think that the reasons are growing stronger or paving the way, and that they will prevail. We have outlined — and have never moved away from that stance, since luckily we do not depend of any electoral campaign — our conditions to hold talks. The only condition is respect, and when this has existed, we have discussed that topic, which others felt was forbidden to us. We will never cease to explain in any talk, how a blockade as the one in force obstructs normal relations. Whether or not the other side includes that topic in an agenda of negotiations, in our opinion, that does not have to be included in our agenda because that is part of our harsh existence. I think that there are no reasons to asks further questions of the Cuban government. It has been repeatedly stated that one would have to see what the response is to that topic that is so greatly insisted on. Reportedly, the answers will be assessed based on the steps Cuba takes, but Cuba takes no steps to get responses that are assessed. If that were so, one would have to see how many steps we have taken without getting any sign or gesture as to how those responses are assessed. Those responses are not even-handed because the measures imposed on 20 August are still in effect.

Cubans continue violating those measures and, despite to those measures, continue seeking ways to come here. I am referring to Cubans living in the United States. For that reason, I would say that instead, we must ask the U.S. side, the Cuban side, we should ask the U.S. side. [sentence as heard] I also understand that during an election, the U.S. side only acts based on that.

[Reporter] There has been some sort of political tourism to Cuba recently. Richardson, Moakly, and now Robert White. What is behind the curtain?

[Robaina] We wish there was no curtain. There is no curtain as far as we are concerned. We have all sorts of tourism in Cuba. We have political tourism, historical tourism, since for some we are still a kind of species in danger of extinction, some come to have their pictures taken with us, even, to make sure we exist. I would say the worst phase is behind us. I have not doubt of that because we proved to ourselves we had the strength to resist what may come or what did come. I think that political tourism, as you call it, which could have a manifestation that goes way beyond political, economic, and social aspects, as well as many other aspects, means that all sectors of the U.S. social, economic, and political life realize more and more that Cuba is not exactly what they have been led to believe. Please, I do not want anybody to think that those who came agree with us on what Cuba is like.

We have never asked anybody coming here, much less if they come as tourists, to agree with what we do. I do believe that many more people today dare to discover us to draw their conclusions of what we are. They no longer believe in what they were told about what we are. I think this is a new phase, and a new phase in which the U.S. congressmen and the figures of U.S. political life realize that although we may have disagreements, our side has no limitations to hold discussions despite those differences. I think we have able to prove that to them. If you were to ask me, I would wish we would have more political tourism. It is not that we are begging them to, but that life is imposing it on them.

[Reporter] With the restoration of ties with Haiti, Cuba has relations with over 150 countries. This is an evident growing trend. What can you say about this aspect of our country's international actions?

[Robaina] More than anything we could say, I would rather let the facts speak for themselves. It seems to me that it would be worth the while to contrast this with the huge campaign waged these recent years about Cuba's isolation. I have never seen an isolation as accompanied as this one, where Cuba can show the world it has diplomatic relations with 156 states. I have never seen an isolation as accompanied as this one, where at the time when we were reportedly going under, other governments decide to establish relations with Cuba. I think these facts speak for themselves. I insist that we have achieved this level of communication with the world not because of any action the Foreign Ministry may have conducted. We have a internal authority, which has fostered, or rather, an internal credibility,

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which has fostered a credibility abroad. I think that the world is becoming aware that Cuba exists, lives, and like any country in the world has its problems, both resolved and unresolved. It is clear that the path we undertook has no turning back, and I believe that that path has encountered a fortunate response from the international community.

Cuban Foreign Minister on Relations With Haiti, U.S.

PA1102232196 Havana PRENSA LATINA in Spanish 1704 GMT 11 Feb 96

[By Susana Ugarte]

[FBIS Translated Text] Havana, 11 Feb (PL) — The recent reestablishment of diplomatic relations between Cuba and Haiti, which increases the number of the island's official ties with the rest of the world to 156, has meant another setback for those who are trying to impose isolation on this country.

This is what people such as Cuban Foreign Relations Minister Roberto Robaina think. They assert that they have not seen a more open isolation than that of their government, which has established or reestablished diplomatic ties with 16 states, according to him, in the last two years.

Most of the nations in Latin America and the rest of the world do not maintain relations with so many countries, Robaina said in statements he made this weekend to domestic and foreign reporters during a tour of Isle of Youth (located south of Havana) he took along with ambassadors and high-ranking officials of legations accredited in this capital.

The Cuban foreign minister pointed out that an element of credibility prevails at the international arena at the "worst time," in allusion to the crisis the country is experiencing following the fall of the Eastern European socialism and the growing U.S. blockade.

In referring to the relations with Washington, he affirmed that Cuba "has learned to live without the United States;" however, he added that the U.S. siege makes the efforts being made to overcome the current adversities much more difficult.

As for the bilateral talks, which so far have been limited to migration issues only, Robaina underscored that there have always been reasons for the two sides to talk. The only difference is that the factors favoring this are stronger nowadays. Respect is our only condition, he said.

He insisted that even if the U.S. authorities include or not the issue of the blockade in an agenda of negotiations, the Cuban side will not stop explaining how much this issue obstructs and how much damage it causes with a view to establishing normal relations.

Cuba, he added, is not taking steps to gauge reactions; however, if that were the case, we would have to see how many steps we have taken without seeing a note or a gesture on how they have been appraised.

In commenting on the various visits U.S. congressmen have made to Havana lately, Minister Robaina affirmed that every time there are more economic, political, and social sectors in that country realizing that Cuba is not precisely what it has been depicted and that, even though there are differences, we do not have limits in our discussions.

However, the chief of the Cuban Foreign Ministry noted that Cuba continues to be an issue of internal policy in the United States, which is now focused on the next presidential elections.

In addition, he pointed out that the U.S. Government itself has two languages: It claims that the so-called Helms-Burton bill (which is aimed at toughening the blockade) is unnecessary, since the Torricelli amendment could achieve similar objectives.

We cannot depend on the U.S. elections, Robaina explained, while voicing his hope that the U.S. people be able to find a useful solution through this means.

With prudent spareness, Robaina addressed the issue of the relations with Europe and stressed that the most important thing is that the talks with the European Union have continued, because the two parties have overcome the differences.

We have not left the road leading to a bilateral framework agreement; however, he explained, we Cubans are not obsessed with this agreement.

Danish Delegation Concludes Visit to Cuba

PA1002184196 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 10 Feb 96

[Report by Nuria Cepero; from the "NTV" newscast]

[FBIS Translated Text] In its last day in Cuba, a visiting delegation from Denmark met with Foreign Trade Minister Ricardo Cabrisas, who among other things, gave an explanation of the economic transformations taking place in the country. The delegation also visited areas of Old Havana's historic center, where it learned details about the founding of one of the first seven towns on the island.

[Begin recording of (Ole Los Malpunsen), Danish Foreign Ministry state secretary, in English with passage

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by passage translation into Spanish] We have an investment in the field of medical production, but economic liberalization is pretty new, as we are seeing now. And Danish companies and the Danish private sector have to get a better understanding of the changes taking place. I can assure you that they will come. [end recording]

The Danish Foreign Ministry official told us that in March negotiations will begin to sign an accord to protect investment between our two countries.

Service Sector of Cuban Province First in Nation

PA0902135696 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 5 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] Villa Clara Province's service and restaurant sector was selected as first in the nation in 1995. Even though there are still problems to solve and many projects to carry out, the sector is currently experiencing one of the best periods in recent years.

Despite the country's limitations, it is not hard to find welcome specials in the province's restaurants, which usually also offer good service to the client.

[Begin unidentified speaker recording] Certainly, two years ago there was nothing available; however, we can find some things nowadays. [end recording]

In 1995, new service-oriented shops were opened in Villa Clara, such as the women's beauty shop and the fashion and manners institute. Other buildings that are currently offering cafeteria or restaurant service were modified and repaired.

These results — an indication of the sector's success in 1995 — have given Villa Clara the chance to be selected as the country's most outstanding province. Domestic Trade Minister Barbara Castillo stated:

[Begin Castillo recording] Villa Clara has attained first place in 1995's emulation campaign, due to the efforts and labor of workers' units and cadres. There is still much to be done; we cannot rest on our laurels. However, there has been sustained work, and above all, a great deal of concern by workers. [end recording]

The best working units and the sector's outstanding workers received incentives during the national central ceremony held today in Villa Clara, during which the sector was called upon to stop sloppy work [chapuceria].

Cuban Province's Sugar Crop One of 'Most Productive'

PA1002020996 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 4 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] Villa Clara intends to have the most productive sugar crop of all time. This is shown by the following report on the work of the province's agricultural and industrial complexes.

Villa Clara exceeded its sugar production goal for the first month of harvest, thus fulfilling the Villa Clara people's objective of making this crop one of the province's most productive ever. Of the 23 mills in this province, 19 report yields above the national average and three are tops among the country's five best, according to indicators that measure industrial efficiency. These results were observed directly in (?Locay) by Politburo member Ramon Machado Ventura, who made a two-day working visit.

[Begin Machado recording] As far as one can see, the harvest is doing well, although we admit that we should be able to process more sugarcane. As for industrial efficiency, it must be assessed in each of the mills. Generally speaking, it is good. I think it is one of the best in the country. [end recording]

The most important deficiency in the sugar crop in Villa Clara is the lack of cane-hauling equipment. To correct this situation, the Agriculture Ministry, together with the province's party and government, decided to place into active service 112 trucks that for five years had been idle in various local enterprises. They are being serviced so they can be used for the harvest as soon as possible.

Cuban Province Earns Crime Fighting Distinction

PA1002174396 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 7 Feb 96

[Report by Boris Fuentes; from the "NTV" newscast]

[FBIS Translated Text] Preventive tasks, work to clarify crimes, and specialized military preparation of enlisted men and officers in 1995 earned Villa Clara Province the distinction of being chosen as the most outstanding province in the country in Minint [Ministry of the Interior] activities for the third year in a row. The work by National Revolutionary Police and the sole surveillance and protection system stand out, which led to a 9 percent reduction in crime in general in this territory.

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Also outstanding are the performance by the Special Patrol, Patrol Unit, Border Patrol, and the crime lab, among others.

All this work made it possible to hold today in this province the national ceremony to begin the introduction period in the Minint. Here, 49 cadets of the Villa Clara Higher Institute received their diplomas; henceforth they will join the operational activities of different units. They, as all Minint fighters, will continue working for the tranquillity of citizens and immediate clarification of crimes.

Cuban Bank President on Results of Economic Measures

PA0902215096 Havana Radio Rebelde Network in Spanish 1800 GMT 8 Feb 96

[From the "National Radio News" newscast]

[FBIS Translated Text] [Station announcer Cesar Arredondo] Francisco Soberon, president of the National Bank of Cuba, said today that the strengthening of the national currency is among the most visible results of the economic measures adopted in the country since the summer of 1993. Juan Buria has the details:

[Begin Buria recording] We managed to strengthen the national currency. This can be clearly observed if we compare the evolution of the peso value in relation to the dollar in the transactions made by the population, Soberon pointed out. The minister compared the current exchange rate of between 20 and 23 pesos per dollar to 120 and even 150 pesos per dollar in the past.

The president of the National Bank of Cuba delivered a speech at the opening of a two-day seminar on the Spanish savings banks at the National Hotel. The seminar is sponsored by the Spanish Savings Bank Confederation, the Iberoamerican Cooperation Institute, and the People's Savings Bank of Cuba.

Marisela Ferreyra, president of the People's Savings Bank, said that savings in more than 5 million accounts have increased nearly fivefold since 1983. Braulio Medel, president of the Spanish Savings Bank Confederation, also delivered a speech at the seminar opening. We hope, he added, that this seminar will only be the beginning of a cooperation and support program for the savings system of the Republic of Cuba. [end recording]

Spanish Savings Banks To Cooperate With Local Cuban Bank

PA1002165096 Havana PRENSA LATINA in Spanish 2012 GMT 9 Feb 96

[By Elsy Fors]

[FBIS Translated Text] Havana, 9 Feb (PL) — The Spanish savings bank seminar concluded today in Havana with the announcement of an agreement that expands the cooperation that Spanish banking institutions will offer Cuba and contemplates a soft loan.

People's Savings Bank President [BPA] Marisela Ferreyra told PRENSA LATINA at the conclusion of the seminar that the agreement will be signed in Spain and will help finance the installation of computer equipment in the different BPA agencies in Cuba.

Ferreyra explained that the agreement also provides for technical assistance, personnel training, and other forms of assistance to help transform the BPA into an all-purpose bank.

At this time we only serve individuals, but we hope to obtain a license from the National Bank of Cuba [BNC], authorizing the BPA to offer a wide range of services, not only at the individual level but at the organization level as well, Ferreyra noted.

Ferreyra emphasized the importance of holding this seminar at a time when the Cuban banking system is undergoing changes to improve the administration of banks in keeping with Cuba's economic transformations.

Since its opening, Ferreyra said, the BPA has granted more than 4 million loans worth more than 3 billion pesos (at par with the dollar, according to the official exchange rate), with interest rates far below those charged on the international market.

Ferreyra added that more than 700,000 loans have been granted to buy homes and land. This has made it possible for most Cubans to own a home.

With the reorganization of the banking system, the official reported, the BPA should be able to offer more services without losing its focus on the family market.

In conclusion, Ferreyra said that more than 300 BPA and BNC directors and specialists, who have attended the seminars and training sessions given by the Spanish savings banks in Cuba and Spain, should help promote the new services.

Braulio Medel, president of the Confederation of Spanish Savings Banks [CECA], told the news media he was satisfied with the way the seminar transpired and

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the progress achieved during the preparation of the main points of the agreement that CECA and Cuba will sign shortly.

The agreement emphasizes the willingness to expand cooperation, Medel said, and he went on to explain other aspects of the agreement. The agreement contemplates a program on cooperation in the area of computer automation and data processing and a second program on training and technical assistance.

Cuban Economic Experts Expect 5-Percent Growth in 1996

PA1002221796 Havana Radio Rebelde Network in Spanish 1800 GMT 5 Feb 96

[From the "National Radio News"]

[FBIS Translated Text] Cuba's economy is recovering and estimates point to an expected 5-percent growth this year, according to statements made by Jose Luis Rodriguez, vice president of Cuba's Council of Ministers in Davos, Switzerland.

Rodriguez referred to 1995 's economic growth of 2.5 percent — after an historic low of only 0.4-percent growth in 1994 — and to a positive evolution in nearly all of Cuba's key sectors. Rodriguez highlighted the fact that these events are evidence of the recovery process — notwithstanding, a more extensive international market — and that currently, demands exceed our production capabilities. Cuba's delegate in the Davos meeting stated that the economic crisis had a lower point in 1993, but, currently Cuba has a great and diversified market with 36 percent of its exports headed to Latin America and Canada, 30 percent to western Europe, and 14 percent to Asia.

During the Cuban delegation's participation in the international economic forum, meetings were held with businessmen from international companies and from other countries — including the United States — who are interested in making investments in Cuba.

Cuban Official Notes Tax Increase on Self-Employed Tasks

PA1102004596 Havana Radio Rebelde Network in Spanish 1255 GMT 10 Feb 96

[Interview with Provincial Labor Director Carlos Perez Blanco by Mariela Diaz; place and date not given — from the "Doing Radio" newscast]

[FBIS Translated Text] Agreement No. 4 issued by the Provincial Administrative Council has established monthly tax increases on 144 self—employed tasks in the City of Havana. Provincial Labor Director Carlos Perez Blanco said that this increase seeks to limit the revenues of certain self—employed workers. Following is part of my dialogue with the provincial labor director:

[Begin recording] [Diaz] Let us talk about figures now. Which tasks that pay fixed taxes will be most affected? Which ones will pay the highest taxes? Give me examples.

[Perez] Those who cook and sell food and beverages at home restaurants who previously paid 500 pesos, will now pay 1,000 pesos; (?hired) drivers who paid 100 pesos, will now pay 400; carpenters who paid (?70), will now pay 200 pesos; and artisans who paid 100 pesos, will now pay 300.

[Diaz] Is the Provincial Labor Directorate not afraid that self-employers might forgo their licenses because of this?

[Perez] Some of them quit before we applied these minimum taxes. As with any kind of work [words indistinct] due to competition and this means that prices will [words indistinct]. We are not worried about this. The state is actually interested in protecting self-employed workers. We do not think that this measure goes against them. It is said that their revenues yield enough to pay the taxes we are levying. Nevertheless, some of them will fold. [end recording]

[Diaz] In Havana, more than 65,000 self-employed workers will henceforth be governed by Agreement No. 4, which increased monthly taxes. [end recording]

Cuban Economist Views Crisis, Possible Solutions

PA1202020096 Havana Radio Rebelde Network in Spanish 1255 GMT 6 Feb 96

[Dialogue between Economist Julio Carranza Valdes, deputy director of the Center for American Studies, and an unidentified reporter at the station studios; from the "Doing Radio" newscast— live]

[FBIS Translated Text] [Reporter] We have discussed some points, such as the background and causes of crisis, the crisis itself, some alternatives and factors that have an effect on the economy. Common people — walking Cubans, as a friend of mine would say — wonder how much longer will they have to endure the measures that, logically, are affecting their pockets.

[Carranza] This is a situation that takes time, under any conditions or circumstances. Of course, this time will be longer or shorter depending on the measures that are being adopted within the process to improve the Cuban economy and actions to face the current situation. As I said, the problem is not only due to lack of production, which is a major factor, but not the only one. As I have explained before, the situation of financial

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imbalance is another important factor. Therefore, we do not necessarily have to wait for production to grow before acting positively on the problem with economic measures. Although some measures have been adopted, in my opinion stronger measures could be adopted in the future that could enable us to attain financial balance more quickly. Obviously, in my opinion, this would have a positive impact on the relation between prices, free market, and the country's [words indistinct].

As I said before, the situation is contradictory in the sense that the national economy has excess money, but that excess money is concentrated in the hands of a minority of the population while the majority of the population does not have the necessary income to systematically participate in the new markets.

[Reporter] That's the problem, the imbalance persists...

[Carranza] Those new markets are becoming more important each day for the family basket. The excess money in the national economy means that a wage increase would not solve the problem. An increase of nominal salaries would create an imbalance and would further reduce the peso's purchasing power. In the long run, a wage increase would be of no use because it would bring more excess currency into the economy, which would be concentrated in a few hands.

[Reporter] More people would seek that market.

[Carranza] Exactly. This leads us to the next subject. Salaries have a nominal value; in other words the money that people earn as salaries: 200, 300, or 100 pesos. On the other hand, there is also the real salary, which is the amount of things you can buy with a given amount of money. The real salary depends on the price of the products in the market. It is based on this real salary that people want actions. In other words, we can rise the level of the real salaries of the Cuban population without necessarily having to significantly increase the nominal salaries.

In my opinion, in order to achieve this, as I said before, we do not only have to increase production. We must also act positively on the excess currency and its concentration levels. This in turn leads us to another topic: What economic measures would permit us to act, based on the currency concentration levels to reduce the excess money, establish a better equilibrium, act positively on prices, and through the positive effect of reduced prices, increase the real value of salaries. This is a very controversial point. I have my own views, other economists have a different opinion. It is a controversial subject, because of its complexity. I believe, however that it should be one of the main issues for a national debate during the next few months.

[Reporter] What role do taxes play in this part of the economy? We have heard so much about a new tax system. A package of new measures went into effect on 1 February.

[Carranza] Before going into that subject, I want to say that when I said that there are different economic alternatives I mean that the excess money not only can be reduced through measures like increasing prices, taxes, elimination of [word indistinct], etc. It can also be achieved through other measures, including freezing funds of those having excessive amounts of money or other ways or methods that could enable us to act quickly on this. I do not want to say this in an irresponsible or simple way, as this entails a very complex technical debate, which I cannot start now due to time constraints. As I said, economists have different and sometimes controversial opinions on this topic.

[Reporter] Debates can be helpful.

[Carranza] Of course. That is why we have been stressing the need to discuss these topics thoroughly, especially because they affect us all. Now, on the subject of taxes, which you brought up.

[Reporter] Yes.

[Carranza] There is no doubt that the Cuban tax system needs to be restructured. The national economy has been diversified and new economic sectors have emerged. Therefore, it is necessary to establish a new tax system more complex than the one that existed before. This is necessary, among other reasons, to redistribute the excess money generated in the various economic fields.

On the subject of taxes, I must say that although it is essential and very important, it does not completely solve the problem either for various reasons. First, because taxes basically have an effect on income. The income received as profit will be basically what will be taxed. We know that salaries will be out of this policy. I am referring to income other than salary. Taxes, however, do not have an effect on savings. In other words, money received [words indistinct]. Therefore, although taxes can have an effect, we still have to do something about the concentration of money and savings, which was a previous process.

That is the first point. The second point, which I believe is very important, is as follows, since the tax adjustment would take some time. The second point is that the nature of these taxes, and that is what the law says, and the government and the revolution are politically committed to implement it, is that these are progressive taxes. Progressive taxes mean that individuals who have a higher level of earnings, profits, or revenues pay more, and they are smaller for individuals earning less.

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The scales that have been published, and everything that the comrades in charge of this activity in the country have said, show what the whole intention is. In order, however, for this to function in a rigorous manner, since adjustment will inevitably take time, the mechanisms must be established to verify the tax declaration in some manner and reduce the possibility of tax evasion. This entails many factors. One of them that we continue advancing with the banking reform — and I hope swiftly — so that among other thing it will allow banks to play a more active role. With the banks playing a more active role, it would be much easier through the money deposited there to control or verify the tax declarations that individuals make. Under the current situation, with the real impossibility to establish, in an immediate and rigorous manner, the veracity of the income declaration, compounded by the surplus currency that you mentioned, we may run the risk, something that we must strive to prevent, that taxes are passed on to prices. That way, they would no longer be progressive. If this were to happen — and this is something we must keep an eye on and prevent — but should this happen, the direct tax on earnings would become a tax on sales, and the person who would pay it is not the person making that earning but the consumer, and this would a factor exerting greater pressure on the prices that people pay. [Reporter] This is a matter of concern to a segment of society. Some people feel that way. Experts or specialists feel, however, this should not have a direct influence on prices, or that it may temporarily have an influence on them. They say this may be something temporary that should not be permanent.

[Carranza] In the discussion [words indistinct] and in the long term depends largely on how the measures are implemented. In my opinion, to prevent this from happening we must fundamentally do two things. Again, this is my opinion, and I always say these are controversial issues. The first thing is to try to reduce the monetary mass, fundamentally taking steps regarding those minority groups of society where money is concentrated so as to prevent .... [pauses] There is a very wide range of overdue demand or [passage indistinct] and on other hand, we must adjust as promptly as possible, although this will always involve a process, the tax implementation mechanism to able to make the income declaration verifiable. Therefore, once the tax declaration is verifiable it makes no sense to pass on the tax to prices since, income levels would rise and so, since the tax is on the income, [words indistinct] and the person would have to pay anyway. So it would make no sense. Therefore, these two measures, reducing the monetary mass and taking steps regarding those groups where money is concentrated — and there are (?economic) measures that would allow it — as well as promptly adjusting the tax paying mechanisms, could contribute to make taxes have a positive effect and that [words indistinct].

[Reporter] Carranza, we are happy you were here, and I am Radio Rebelde's listeners also thank you. Do you have an final words. We have time.

[Carranza] All that is left is to speak directly to the listeners, as I have done, to tell them that the topic we have been discussing is complex, as I said at the beginning. I have tried to give a synthesized explanation and be as clear as possible. This is not always possible because this is a highly complex matter, as I have said. Please, forgive me, if I was not able explain sufficiently a term or aspect. I think it is best to explain problems in their complexity to the people. I do not want give a simple answer that would make a listener go home thinking that he has an explanation to a complex problem that affecting him. So, I want to end by asking all to continue discussing, learning, and trying to understand the problems that we must tackle and [words indistinct] of all the people, so that together with the revolutionary government we may give shape to the measures that will consolidate the upward trend in the Cuban economy that fortunately has been showing some positive results since last year.

Cuban Economic Official Views 1996 Objectives

PA1002225396 Havana Radio Rebelde Network in Spanish 1255 GMT 8 Feb 96

[Report by Mariela Diaz from the "Doing Radio" newscast]

[FBIS Translated Text] As relates to news and economic issues, Cuban media still has a lot to do. What activities will the National Association of Cuban Economist [ANEC] be carrying out during 1996?

ANEC President [Roberto Berrier] responds as follows:

[Begin recording] [Berrier] The ANEC believes there are two fundamental goals which we must develop: One, continue working to ensure efficiency in the sugarcane industry, as well as to materialize the transformation of the Cuban nonsugar industry. These are what be consider to be our main objectives.

[Diaz] With respect to an exchange rate for the Cuban peso, is the ANEC working jointly with other institutions, for example, the banks?

[Berrier] We have been giving our opinions and providing support. We did so during the past congress [as heard], and afterward we have been doing it during meetings with bank directors. In addition, several of our

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economists are employed at the Central Bank of Cuba and are, most naturally, involved in this issue.

[Diaz] Is there any indication when we will be having a more adequate, equitable, and I would even say, a more coherent exchange rate?

[Barrier] I am unable to answer that question.

[Diaz] There are reports related to the likelihood of the Latin American Economist Association, if we can call it that, having its next congress in Cuba in 1997. Why come to Cuba to have such an event?

[Berrier] Many economists throughout the world have expressed an interest in the economic model we are developing. Ours is a model free of foreign recipes, impositions, and one we are developing through our own efforts, as well as with the intelligence, capabilities, and leadership of the party and the revolution. In a few days the presidents of the Latin America and Caribbean Economist Association will be meeting in Guatemala. Cuba currently occupies the first vice presidency of that association and we there is a good chance that we will be selected as host country for the 1997 congress of the Latin America and the Caribbean Economist Association. If this comes through it could mean that nearly 1,500 or 2,000 economists would be meeting here. There is much interest to know about Cuba's realities. [end recording]

Cuban Parliament Steps Up Effort on Community Ties

PA1102023996 Havana PRENSA LATINA in Spanish 1539 GMT 10 Feb 96

[Report by Javier Rodriguez]

[FBIS Translated Text] Havana, 10 Feb (PL) — The Cuban people's power, a system designed to secure the population's direct participation in government decisions, this year decided to prioritize an effort to improve the people's participation in the solution of community problems.

This decision, already announced during the National Assembly of the People's Government (Parliament) [ANPP] sessions and materialized in the work of its permanent commissions, was reiterated during a meeting of secretaries of the ANPP's provincial assemblies, which closed recently.

The debate, held yesterday and presided over by ANPP secretary Ernesto Suarez, turned into a detailed study of the provincial assemblies' work and the most recent progress report presented by neighborhood delegates and electoral districts.

According to the procedure established in Cuba, the representatives, elected by direct and secret vote for a term of 2.5 years, report to the population twice every 12 months on the work performed to solve local problems presented by the voters themselves.

Although the result on this last aspect was positive, everyone agreed on the need to perfect mechanisms and expedite the work of the rank and file, as well as municipal and provincial officials, with an eye to obtaining better results now that the next progress report is due in April.

During one of his participations, Suarez made an appeal to rid the daily activities of all formality and automation and assess the community's experiences, improving the quality of the delegates' periodical meetings with their voters and in the meetings with all of the neighbors in each zone.

It is necessary to have delegates interact properly with the rank and file, social organizations, the area's doctor, and the local teacher. In this way, we will improve the people's effective action in the exercise of government, he concluded.

Cuban Chamber of Commerce President Interviewed

PA1202042296 Caracas REPORTE DIARIO DE LA ECONOMIA in Spanish 6 Feb 96

[Report on interview with Carlos Martinez Salsamendi, president of the Cuban Chamber of Commerce by Mercedes Arconada Diez in Caracas; date not given]

[FBIS Translated Text] Carlos Martinez Salsamendi, president of the Cuban Chamber of Commerce, pointed out that during 1995 Venezuela occupied the seventh place among Cuba's trading partner. He added that nonetheless, 80 percent of goods imported by the island is crude oil and its by-products produced in Venezuela, but purchased through the stock exchange of third countries.

On 27 February there will be a Venezuelan trade delegation, headed by Werner Corrales, president of the Foreign Trade Institute [ICE], with the objective of establishing contacts and assessing the likelihood of investments.

Cuba's economic opening process, it seems, is unstoppable. During the past five years the amount of foreign investments in the country has grown by more than 2000 percent, the number of joint capital firms increased from 7 to 212.

During 1990, foreign investments stood at $100 million and by the end 1995 it stood at $2.1 billion. Likewise,

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firms that 10 years ago operated in Cuba were mostly from Spain and Mexico, investing only in the tourism sector. Nowadays, the foreign capital originates from 50 countries investing in 34 sectors of the Cuban economy.

In order to speak about the prospects that are opening for country as well as for foreign investors Carlos Martinez Salsamendi, president of the Cuban Chamber of Commerce, granted an interview to REPORTE DIARIO DE LA ECONOMIA.

During 1995, he stated to start, Cuba's GDP grew by 2.5 percent from a 0.7-percent growth in 1994. All of this is evidence that the recovery process in fully developing. It should not be forgotten that during the previous five years the economy had declined by 35 percent.

The most important point is that expectations for this year are very positive since several research centers predict that by the end of 1996 growth will be at least close to 5 percent, and nearly 8 percent if we have a good sugar cane harvest.

In order to establish contacts with Venezuelan businessmen, a Cuban delegation headed by Martinez Salsamendi recently carried out a visit Venezuela. This visit has some very encouraging results.

In fact, on 27 February a Venezuelan delegation headed by ICE President Werner Corrales will be travelling to Havana with the objective of evaluating the likelihood of investing in the Cuba and increasing trade exchange between both countries.

In this respect, Martinez Salsamendi pointed out, the growth [in trade exchange] has also been significant since during 1990, trade with Latin America and the Caribbean represented barely 5 percent of Cuba's foreign trade, a proportion that has increased to 35 percent by the close of 1995.

Areas of Interest

Now then, which sectors of the Cuban economy need to be revitalized, and therefore, investments? Martinez Salsamendi mentioned industries such as the textiles, shoe, plastic as well as furniture, and in general all manufactures of finished goods. Likewise, he pointed out that thanks to the inflow of foreign capital, sectors such as the mining, telecommunications, food, and construction material manufacturing industries have already started to experience some recovery. In fact, he added, Cuba is currently exporting items such as cement, metal pegs, ceramics and even prefabricated houses to Mexico, Jamaica, and Guyana.

In light of all of this a question inevitably tends to arise: If there is need to attract foreign capital, then why are Cubans living in the country unable to carry out any type of investment? "No one has said that it cannot be done — only a few Cubans. Not even the law prevents it. What really happens is that the Cubans do not have any money to invest. In addition, before we can encourage the small firms it is necessary to revive the industry itself which is the what provides the employment and the revenue the country needs," Salsamendi stated.

We must take advantage of our existing industrial capacity. We need to produce 5 million tons of cement and 65,000 tons of nickel. At present we produce 2 million tons of cement and 40,000 tons of nickel per year.

It is also necessary to take advantage of the Cuban working force, which is highly qualified, he said. In addition to capital, investors contribute with technology, and above all, with the market.

So far we have only been constructing buildings for tourism, a sector that generates most of Cuba's income.

On that specific subject he said that during 1995 some 754,000 persons chose Cuba as their vacation site, generating $1 billion, which was 20-percent more than the income received from tourism in 1994.

He added that a 25-percent growth is expected in 1996, and that it has been estimated that by the year 2000 the number of tourists will increase to 2 million, which will represent an income of $3 billion.

Sugared Tourism

Regarding the sugar harvest — which as we know last year registered the lowest production in Cuban history — Martinez said that although the 1994-95 harvest produced only 3.3 million tons, this year's production has been estimated between 4 and 4.5 million tons.

He added that the 1996 harvest has already begun and that it is hoped that in four or five years production will average 7 or 8 million tons, generating approximately $800 million.

There is no foreign investment in this sector, he noted. What we need is credit to purchase raw material and spare parts for the sugar industry.

It is difficult for us to obtain that credit due to the strong pressures exerted by the U.S. blockade on international banks, he stressed.

In any event, he added, that sector is observing the behavior of the Cuban economy and that the process of openness will surely encourage new credits, as it will create confidence in the country. in fact, he said, in 1995 many foreign banks opened branch offices in Cuba.

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Regarding trade with Venezuela, Martinez Salsamendi said that during 1995 it was Cuba's 7th commercial partner. He noted, however, that oil and oil by—products represent 80 percent of Cuban imports from Venezuela.

He explained that those purchases are being made through third parties. Obviously, we asked him why this is not being done directly, to which Martinez could not find an answer, but said that the possibility of importing Venezuelan oil directly is being negotiated, which would benefit both countries.

Regarding other Venezuelan products of interest to Cuba he mentioned raw material like aluminum, iron and steel, and half-processed goods.

Cuba's Tourism Office Seeks To Expand Activities

PA1102223796 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Feb 96

[Interview with Virginio Luna, director of the (Habanatur) specialty tourism office, by Isis Maria Allen; place and date not given; from the "Evening Information Review" newscast — recorded]

[FBIS Translated Text] [Allen] (Habanatur), the international group of tour operators and travel agencies, is planning to bring in approximately 200,000 tourists to Cuba this year. This would mean an almost 30-percent increase from last year's figure. Among the programs (Habanatur) plans to develop this year is specialty tourism. To that effect, a management office has been created, and Virginio Luna heads it.

[Luna] (Habanatur) recently decided to open an office in charge of organizing everything dealing with a specialty product in the country. This covers events, congresses, different kinds of courses, utilizing a very important characteristic of Cuba, namely, its scientific and intellectual capabilities, which have been developed throughout all these years of the revolution. In addition, until now we have exploited our beaches and sun for this large-scale tourism, but our natural environment is of an extraordinary richness. For that reason, and since that is one of the current natural trends in tourism, we are going to develop everything dealing with ecological tourism, and its different modes, such as hiking trails, adventures, bird watching, and hikes of different kinds. At the same time, this activity promotes a different kind of tourism activity. We can really use the whole country, not just the facilities that some specific towns offer. Moreover, this type of tourism moves, rather, promotes and spurs different towns. This is another goal. The goal is not just to bring tourists into an area and create facilities to serve them. We want these benefits and programs to have an positive impact on these towns where they are being developed.

[Allen] Along these lines, what towns come to mind?

[Luna] We have not thought of specific towns. We are exploring the whole country. We recently went to the country's central region, Cienfuegos Province, and some overlapping regions, the Escambray Mountain Range, where there are some extraordinarily beautiful places. For a European, who comes from a place where we cannot speak of nature because of the way man has destroyed it, the scenery is fabulous. The beauty of water falling into a creek is such .... [pauses] The water we have seen here in this complex [not further identified], these rivers of an extraordinarily pristine waters, are a rare sight in a world filled with pollution and litter. This is precisely what we want to exploit. We have an infinite number of places in Cuba, in the eastern zone, the entire Pinar del Rio area, any place. Sometimes, any mountain, or an out-of-the-way little hill, has an extraordinary value from the aesthetical viewpoint, or rather, from the standpoint of nature.

[Allen] In the future, we will continue these talks, as these measures are implemented to keep our listeners abreast of the possibilities of enjoying specialty tourism through the programs (Habanatur offers).

Cuban Metallurgy, Electronics Ministry Sets 1996 Goals

PA0902154196 Havana Radio Rebelde Network in Spanish 1800 GMT 6 Feb 96

[From the "National Radio News" newscast]

[FBIS Translated Text] The main objective of the Metallurgy and Electronics Industry Ministry, SIME, for 1996 is the achievement of stable monthly growths in all enterprises pertaining to the metallurgy and electronics industry. In that regard, it is planning to continue promoting the recovery of its three main sectors: Metallurgy, mechanics, and electronics, seeking total growths of 25 percent compared to last year's growth.

Taking into consideration that SIME's production is primarily for the national market, there is a plan to replace 417 million pesos worth of imports, including housing construction plans, kitchen appliances, refrigerators, jewelry, and television sets, among other items.

Other important goals SIME has established for 1996 are: Increasing the manufacturing of batteries, resuming the production of refrigerators, and stabilizing steel production above 20,000 tons per month, as well as repairing and reconditioning 500 KTP2M sugar combines and the same amount of damaged engines .

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Report on Preparation of Cuban Taxpayers' Registry

PA1002013896 Havana Radio Havana Cuba in Spanish 0000 GMT 6 Feb 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] The taxpayers' registry will enter into effect in Cuba soon. Here is Barbara Betancourt with a report.

[Betancourt] According to the stipulations in Resolution No. 54 of 1995 of the Cuban Ministry of Finance and Prices, the National Tax Administration Office [ONAT] has already begun to work in the preparation of the taxpayers' registry. Individuals and corporations that are required to pay taxes in keeping with the law must register in the taxpayers' registry.

Maria Villasol, chief of the revenue collection department of the ONAT, explains how the procedure will work for self-employed workers.

[Begin Villasol recording] Since all of the regulations concerning self—employed workers are being reviewed, the following has been proposed: Those self-employed workers who are currently registered will not be reregistered during this same phase. In a following phase — which will be announced and conducted in an orderly fashion — we will work jointly with the Labor Ministry in each one of the communities, we will update all of these taxpayers, and we will reregister taxpayers. This process will fulfill two objectives: To enter the information in the single taxpayers' registry, and to update the information between the two organizations — the Labor and the Finance Ministries. In the case of those individuals and corporations who become new taxpayers, as per the new regulations — vessels, for instance — if they do not appear on the registry as paying taxes for another purpose, they must register to pay taxes. Anyone who is required to pay taxes must register in the taxpayers' registry. Should an individual or corporation become responsible for another obligation due to any of the new regulations, the individual or corporation must inform the ONAT that it is bound by this new obligation. [end recording]

[Betancourt] The country has been gradually implementing the required system to collect taxes, an activity the Cuban National Assembly of the People's Government has described as pivotal for the second phase of the domestic financial cleansing to succeed. The local media has regularly reported on the steps being taken in this area not only to keep the public informed, but also to educate a population that — in our case — got out of the habit of paying taxes approximately 30 years ago and must now assume that obligation as is the norm in most countries worldwide.

Cuban Local Assemblies To Discuss People's Participation

PA1002021296 Havana PRENSA LATINA in Spanish 1822 GMT 7 Feb 96

[Report by Javier Rodriguez]

[FBIS Translated Text] Havana, 7 Feb (PL) — An assessment of the recent people's provincial assembly in Cuba underscores an interest on behalf of the population to increase its direct participation in all decisions at all levels of government.

A parliamentary source disclosed to PRENSA LATINA that the provincial and municipal bodies had incorporated the formulation of ever more efficient work methodologies in their debates in order to implement solutions to problems confronted by the community.

In a year that marks the arrival of the 20th anniversary of the establishment of Cuba's People's Assembly, the debates took into account several approaches to fully exercise the resolutive powers of the local assemblies, stipulated in the Cuban Constitution as well as in the norms that regulate these bodies.

Another priority relates to the need to define procedures in order to adapt the free time of the regional delegates — who are not full-time employees — with their daily work responsibilities so they can spend as much time as possible in direct contact with the population as well as taking steps to find solutions to the proposals being received.

Currently, only 19.2 percent of all neighborhood delegates are able to use their full time to tasks related to the people's government, and in addition to the municipal presidents and those officials who head the municipal bodies, the percentage also includes retirees, housewives, and self-employed workers.

However, all are required to establish office hours to meet with their constituents, discuss complaints and proposals with senior officials in order to formulate solutions. Additionally, they must also take part in municipal assemblies and give an account of their performance at least twice a year before all neighbors.

The people's government constitutes the backbone of the system established in Cuba to guarantee that all citizens can have an active participation in the decisions adopted by the government, starting with the election of their representatives by means of direct and secret vote.

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Cuban High-Production Agricultural Center To Be Created

PA1002164996 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 2 Feb 96

[Report By Omar George; from the "NTV" newscast]

[FBIS Translated Text] Approximately 8,000 students graduated last year from the country's agricultural and livestock polytechnical institutes. Approximately 1,000 have continued university careers and 6,000 will form a high-production detachment that will be called Antonio Maceo.

Among this group of 6,000, it has been estimated that only 50 percent will remain in the agricultural and livestock sector. In some provinces, the exodus is even larger. Jorge Garcia, director of Cienfuegos Province's Francisco (Elsol) Agricultural and Livestock Polytechnical Institute, has attributed this phenomenon to a basic factor.

[Begin Garcia recording] In this enterprise, for example, out of 42 graduates, 20 are male and 16 have been called for the General Military Service; none has been assigned to the military farm of this enterprise. They were taken, most of them, to Managua, in Havana. [end recording]

As the Agriculture Ministry sees it, the instability of the graduates is due to other factors also. These are graduates who have theoretical and practical knowledge, but who do not have expertise at the level of farm workers who have years of experience and training.

Not all the enterprises play an informative and educational role or follow up on these students either.

Some of the boys feel unprotected because the change from student to worker represents a big jolt in their lives.

The Antonio Maceo High-Production Agricultural and Livestock Detachment will be created to correct this situation. This will be a transition period for these graduates before their definite assignment.

This detachment will be composed initially of 6,000 graduates, on a voluntary basis. This group will be given 1,000 idle caballerieas throughout the country, and they will be asked to make them produce as much as possible.

The land will be exploited by new labor organization forms. With what they produce they will be able to go to agricultural markets where [words indistinct] will act as a price control mechanism.

The ceremony to constitute these detachments will take place in provinces and historic sites related to Antonio Maceo. The national ceremony will take place on 15 March, at Cacahual, on the 118th anniversary of the Baragua Protest.

Cuban Police To Guarantee Calm During Carnival

PA1002194496 Havana Radio Rebelde Network in Spanish 1255 GMT 10 Feb 96

[From the "Doing Radio" newscast]

[FBIS Translated Text] In keeping with the current penal code, to fight [words indistinct] there are legal means and the action of the National Revolutionary Police, PNR, to prevent and control any type of disorder and improper behavior during carnival festivities. Immediate action is guaranteed in the event of any criminal act.

Anyone who commits a crime will be arrested, tried, and imprisoned. This is the PNR's mission. Its main goal, however, is to guarantee our people's peace and tranquillity during the well-deserved carnival.

Cuban Gas Outages Cause 'Serious' Supply Problems

PA1102035396 Havana Cubavision Network in Spanish 0100 GMT 11 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] Electrical outages at the Melones Manufactured Gas Plant's pumping equipment in the last few hours have triggered serious problems in the supply of this fuel to various municipalities in Havana City.

Specialists of the aforementioned plant gave this information to this newscast. They explained that the repairs were done immediately and that they ended at 1500 hours. This has allowed a slow recovery in the gas supply to the adversely affected areas. They also explained that if there are no unexpected failures, the gas supply will be restored to the previous levels.

Cuban Commentary Views Gas Service 'Interruption'

PA1102220396 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Feb 96

[From the "National Radio News"]

[FBIS Translated Text] There was a gas service interruption this morning in Havana caused by a problem that was solved in approximately one hour 30 minutes. Yesterday, however there was a prolonged interruption in the supply of the so-called street gas because of repair work to the Melones plant on Blanca Street. The service was partially restored in the late afternoon past 1830. We asked the manufactured gas enterprise for an explanation. They stated that only Radio Reloj Network was notified of yesterday's gas service interruption. Radio

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announcer Orlando Contreras has the following commentary:

[Contreras] Common sense tells us that when programmed repair work is to be performed on a plant, and it has nothing to do with a ruptured pipe, the people should be duly notified with details a day in advance. They should announce the exact time the service interruption is to begin and the time the service is expected to be restored. Whichever the enterprise, if it is a public utility, it should take the time to notify the daily news media of any information the public should know. Everybody understands the problems that arise due to overriding factors, such as ruptured pipes and the lack of fuel or a specific raw material. But in order to understand and accept anything, we must be informed about what is happening. If we are not adequately informed in advance of a basic service interruption, it will cause irritation and annoyance. The respect people deserve should compel us to be sensitive and careful with these things. We know about the self-sacrificing efforts made by the workers, engineers, and the administrative staff of the manufactured gas enterprise in order to provide the gas service with aging plants and obsolete technology. We believe, however, that as part of that same effort, they should have the responsibility of informing the people in advance of any programmed service interruptions, as was the case with yesterday's repair work at one of the plants responsible for the unannounced gas service interruption, based on the information provided to us this morning by the gas enterprise.

Delays Reported in Home Construction in Cuba's Havana

PA1102214996 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Feb 96

[Report by Jorge Perez; from the "National Radio News"]

[FBIS Translated Text] One of the greatest challenges the Havana Construction Ministry [Micon] must face is the completion of 3000 housing units, including started and yet-to-be-started constructions. The main difficulties today lie with 1900 units that are waiting to be started. Santiago Hernandez, assistant director of Micon's Havana delegation tells us more about this.

[Begin Hernandez recording] We must acknowledge that there has been a delay with the assignment of the lands to be used as sites for the constructions of homes and the appropriation of funds to push ahead with the production of prefabricated units, because we cannot even think of achieving the construction of that many homes with conventional construction methods. We must prefabricate. [end recording]

During 1995, the Havana Micon delivered 160 finished homes in excess of that year's housing plan.

Update on Cuban Sugar Mills Situation in Holguin

PA0902235096 Havana Radio Rebelde Network in Spanish 1255 GMT 7 Feb 96

[From the "Doing Radio" newscast]

[FBIS Translated Text] [Anchor Felix Garrido] Here is Roberto Ortiz with a report from Holguin.

[Ortiz] The sugarcane harvest has also been hard hit in this province to the extent that eight sugar mills have been forced to suspend their grinding operations, and the Rafael Freyre sugar mill, which was expected to begin operations, has been unable to do so because of the heavy rains of this 15th cold front. At this moment, I have Elso Fernandez Vega, delegate of the Sugar Ministry, on the telephone. Good morning. We would like to know how will Holguin's sugar producers face this situation?

[Fernandez] This is a truly complex situation as has been explained by the secretary. The sugar mills in northern Holguin had already been affected by the high levels of moisture, and this is unquestionably the area that has received the highest precipitation, thus, it is here where we will face the greatest challenges. A task force has been invited to the area, and last night, a council of [word indistinct] instructed the group to leave for the area immediately. Today, the task force is visiting each one of the mills to determine what sort of assistance we need to provide to repair the roads. This is a very difficult situation; however, speedy actions are already being implemented in northern and central Holguin. The sugarcane fields are also being drained. In flooded places, workers plan to give maintenance to the mills; [words indistinct]; and give a proper maintenance to the agricultural machinery and transportation units. We must use the days the mills will not be operating to increase the [word indistinct] of sugar; [words indistinct] for the ports; apply the fertilizers [words indistinct]; reorient the transportation sector in this direction; and adapt [words indistinct] to the mills [words indistinct]. Despite all of the problems we have been facing recently, actions have been taken throughout the entire province, and we will be able to recover from this situation very soon.

[Ortiz] This is what sugar producers are doing in Holguin Province. The delegate also said that currently, at least in Holguin's capital, it has stopped raining; however, a temperature of 18.8 C and a relative humidity level of 90 percent have been reported.

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Editorial on 'Decisive' Phase of Cuban Sugar Harvest

PA1002010596 Havana Radio Havana Cuba in Spanish 0000 GMT 6 Feb 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] According to a TRABAJADORES editorial, the Cuban sugar harvest has entered its decisive phase. This editorial urges participants to take advantage of the highest efficiency levels in the harvesting of the sugarcane in February, March, and the first 15 days of April — as this is the period of highest yields.

The mouthpiece of the Cuban labor movement stresses that more than 140 sugar mills are already engaging in grinding activities, while the others, in the coming days, will begin to take advantage of these 80 decisive days in sugarcane production. TRABAJADORES points out that during this period, it is necessary to increase the volumes of cut and processed sugarcane in the mills, in order to attain the best industrial efficiency levels to increase the overall yield of sugarcane.

The editorial emphasizes that, along with the efforts being undertaken by all of the Cuban people to boost the production of sugarcane in this period, it is necessary to prepare the land for the next planting season, as well as to implement the tasks of sowing and weeding that will guarantee the raw material for next year's harvest.

Cuban Commentary on Restoration of Ties With Haiti

PA1002021196 Havana Radio Rebelde Network in Spanish 1800 GMT 7 Feb 96

[Commentary by Orlando Contreras from the "National Radio News" newscast]

[FBIS Translated Text] When this America of ours was still immersed in a colonial haze, on the western side of Hispaniola island, men whose forebears had been uprooted from Africa's coasts to serve in colonial plantations acquired their freedom and national independence by defeating the Napoleonic empire's troops. Haiti was the first free nation of our America. Illustrious men from this land also contributed to the great independence effort headed by Simon Bolivar, the liberator. With an uninterrupted history of fighting, Haiti suffered U.S. intervention in this century, its custom houses were violated, and its political life was destroyed. Corollary of this process was the later installation of Duvalier, who established a reign of terror without Washington raising an eyebrow. The recent history of Toussaint Louverture's homeland is too well known to be described here.

History will tell about the fundamental role played by Jean-Bertrand Aristide, the first president elected by the people, at least in the second half of the century about to end. Within Haiti's unique context, it is significant that his last juridical act before handing over the president's office to Rene Preval, his elected successor, was to restore diplomatic relations with Cuba. The two countries, although linked by history, geography, blood, culture, and common interests, have been kept separated from each other for nearly 40 years by interests other than those of their people, even though the lights of the Haitian coast can be observed from the top of Punta Maisi on clear nights. The Windward Passage, which was crossed by many of our forebears who, in the beginning settled in Oriente province, will no longer be an Iron Curtain forged outside the Cuban and Haitian borders.

President Aristide, observing the signing of the agreement establishing relations by Foreign Ministers Robaina and Longchamps, said: This is something our people deserve. It is the best gift we can give them.

Cuban Politburo Members' Activities Through 8 Feb

PA0902214796

[FBIS Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 8 February.

Raul Castro, this Wednesday toured the eastern province of Holguin, which was seriously affected by the heavy and continuous rain that has been falling for the past three days. According to an announcement by the civil defense forces, more than 5,000 people have been evacuated from regions in the province facing risk of floods, while more than 800 homes have been seriously damaged. (Havana Radio Havana Cuba in Spanish 1300 GMT 8 Feb 96)

Esteban Lazo, Jose Ramon Balaguer, and Abel Prieto attended the first edition of El Barrio Award, event organized by the National Coordination of the Committee for the Defense of the Revolution (CDR) to acknowledge outstanding community accomplishments. The event took place in the community of El Auto where Commander Camilo Cienfuegos was born 64 years ago today. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 7 Feb 96)

Carlos Lage Davila and Alfredo Jordan Morales took part in the opening of the (Jose Argibay Rivero) Transportation Center in the province of Pinar del Rio. The center, the fifth of its kind built in Cuba, will be

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used to distribute produce. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 6 Feb 96)

Pedro Ross Leal commented during a provincial workers assembly that the process taking place throughout the country prior to the 17th workers congress, is one of the most in-depth carried out by the workers movement. According to Ross Leal, the current workers assemblies are closely linked to the realities and problems the country is presently undergoing. (Havana Radio Rebelde Network in Spanish 1800 GMT 5 Feb 96)

Pedro Ross Leal,and Carlos Lage Davila attended a meeting of the Blas Roca workers contingent to discuss issues related to the upcoming 17th workers congress. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 3 Feb 96)

Roundup of Cuban Sugarcane Developments Through 11 Feb

PA1202030796

[FBIS Report] The following is a compilation of reports on sugarcane and sugar industry developments in Cuba monitored through 11 February.

The Industrial Automation Center said sugarcane Honduras grinding mill in Guantanamo is facing difficulties with transportation at the collection centers and productivity. Only 80 percent of clean sugarcane is being cut. (Havana Radio Rebelde Network in Spanish 1800 GMT 29 Jan 96)

Sugarcane production in Santiago de Cuba has surpassed its goal by 8,000 tons. The province reports a 84.3 percent recovery and industrial efficiency of 10.14 percent, both excelling forecast figures. Nevertheless, productivity per man has dropped from 160 arrobas cut daily to 120 arrobas, due to new cutting method. (Havana Radio Rebelde Network in Spanish 0100 GMT 2 Feb 96)

Sugarcane production in Pinar del Rio is steady. The Pablo de la Torriente mill achieved planned January results after overhaul was performed to its equipment. The mill was able to increase production to 10,000 arrobas of sugarcane per caballeria. (Havana Radio Rebelde Network in Spanish 0100 GMT 2 Feb 96)

Sugarcane mills in the Granma Province saved 1 million arrobas of sugarcane by decreasing consumption of raw materials to 20 arrobas less per ton of sugarcane. The savings equal 20 caballerias of sugarcane when compared to the province average production. (Havana Radio Rebelde Network in Spanish 1255 GMT 5 Feb 96)

Sugarcane mills in Santiago de Cuba have surpassed estimates of production by 3,000 tons. This has been possible due to a high level of efficiency. (Havana Radio Rebelde Network in Spanish 1255 GMT 7 Feb 96)

Eight sugarcane mills have closed in Holguin Province due to heavy rains. Roads used for the transportation of sugarcane have also been seriously affected. (Havana Radio Rebelde Network in Spanish 1800 GMT 7 Feb 96)

The Antonio Maceo, Cristino Naranjo, and Urbano Noriega sugarcane mills renewed operations in the south region of Holguin Province. The mills located in the center and northern part of the province, which were the most affected, will remain closed. The Sugar Industry Ministry has rescheduled sugarcane cutting to send to nearest operating mills. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 10 Feb 96)

Four mills in the southern region of Las Tunas Province reported heavy and steady grindings with a 90 percent average production. Meanwhile, mills in the northern region continue to be closed due to heavy rains. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 10 Feb 96)

The Candido Gonzalez sugarcane mill will soon achieve its production goal. Workers claim this year's sugarcane harvest is the best in 15 years. (Havana Cubavision Network in Spanish 0100 GMT 11 Feb 96)

Haiti

New President Meets With Haitians Living Abroad 8 Feb

PA1102190296 Port-au-Prince Signal FM Radio in French 1130 GMT 9 Feb 96

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] During his first working day at the National Palace, the new Haitian President Rene Garcia Preval talked to Haitians living abroad. Mr. Preval said on 8 February that the work accomplished by those Haitians is quite praiseworthy. He paid tribute to the courage and patriotism of Haitians living abroad for their efforts in restoring democracy in Haiti.

The president, who was receiving delegations of Haitians living abroad, said that the Haitian diaspora served as a base from which to mount a true resistance to those who would overthrow the government. He showed his willingness to receive his fellow countrymen who have expressed their intent to put the money, the knowledge, and the competence they acquired abroad at the service of the country.

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Mrs. Yannick Desgranges, minister of Haitians living abroad, said this sector can play a fundamental role in the economic rebirth of the country if the resources they offer are well-channeled.

The representatives of Haitians living abroad also pleaded for the right to dual nationality. This demand is legitimate, said Mrs. Desgranges, whose position was supported by President Rene Preval. However, the latter acknowledged that this question is linked to a constitutional amendment and hoped that Haitians living abroad will have the right to vote during the next elections. [passage omitted]

Haiti's Mayor of Port-au-Prince Discusses Corruption

PA1002025296 Port-au-Prince Radio Metropole in French 1700 GMT 9 Feb 96

[From "The Midday Newscast"]

[FBIS Translated Text] The new head of state Rene Preval is continuing his consultations for the formation of the new government. The name of the next prime minister should be announced shortly.

On his first day at the National Palace on 8 February, President Rene Preval met with a delegation of Haitians from the diaspora.

Meanwhile, Port-au-Prince Mayor Emmanuel Charlemagne, who was not present at Preval's inaugural ceremony, explained his attitude as a stand against the corruption that had reigned at the National Palace since the return of former President Jean-Bertrand Aristide. I did not want to shake hands with thieves, Charlemagne said in an interview to the Inter-Press Service [IPS] agency. The mayor of the capital also denounced the unjustified expenses of several thousand dollars in the projects of the Presidency and the distribution of juicy contracts to bogus firms. In this interview to IPS, Charlemagne also denounced a plot to assassinate him and some parliamentarians. Without citing names, the Port-au-Prince mayor implicated members of the National Police who allegedly have links with the intelligence services in the United States. Manno Charlemagne further said that he would be ready to name those who allegedly took part in assassinations in Haiti such as that of lawyer Mireille Durocher Bertin.

Haitian Senate Adopts Resolution on Dissolution of Army

PA1102162696 Port-au-Prince Signal FM Radio in French 1130 GMT 9 Feb 96

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] During a brief session at the Parliament on 6 February, the Senate of the Republic voted a resolution to dissolve the military institution. The decision to dissolve the Army had already been adopted by former President Jean-Bertrand Aristide, who wished the Parliament to celebrate the Army's official and legal funeral.

Article 1 of the resolution stipulates that, noting the factual disappearance and nonexistence of the Haitian Armed Forces [FADH], the Senate of the Republic undertook to present at the last session of the present legislature the constitutional amendments establishing their eradication [as heard].

Article 2 of this resolution says the Senate of the Republic has promised not to vote on any budget for this institution during the present legislature.

Article 3 invites the executive and judicial powers to take all measures to prosecute all the individuals who embezzled funds, or movable and immovable property from the military institution.

According to Grand'Anse Senator Maxime Roumer, the Senate is committed to propose, at the end of the 46th legislature, a constitutional amendment establishing the final dissolution of the Army.

The 6 February resolution, reached at the height of the 7 February festivities, was adopted by 14 out of 18 senators present following a proposal by Northern Senator Renaud Bernardin. Given that the current legislature can only make amendment proposals to the next legislature, we have adopted a political resolution that represents a moral commitment, the Grand'Anse elected representative said.

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Asked about the possibility that the deputies will adopt these measures as well, Sen. Roumer explained that it is a resolution but not a law. Furthermore, he pointed out that contacts have been established with the lower chamber about this resolution.

Former Costa Rican President Oscar Arias, one of the initiators of this movement or, at least, of this measure to dissolve the Haitian Armed Forces, addressed the Assembly of parliamentarians on 8 February about this question. He said that the breakup of the FADH is an important step toward democracy. However, he urges the UN authorities and the governments committed in the operation of this organization to carry out the total disarmament of the paramilitary forces that continue to cause mourning within the Haitian family. [passage omitted]

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Mexican Programs Fail To Alleviate Debtors' Burdens

PA1202023396 Mexico City EL FINANCIERO in Spanish 5 Feb 96 p 5

[Report by Alicia Salgado]

[FBIS Translated Text] Intended to avoid banking insolvency, the programs of Agreement for Immediate Support to Bank Debtors (ADE) and the Investment Units (UDI), have completely failed to alleviate bank debtors' financial burdens. In addition, these debtors are completely helpless in view of the legal assessment promoted by the Finance and Public Credit Secretariat of the so-called "banking practice" to prevail over the Civil and Mercantile Code.

Close to 10 million debtors that comprise the hard-struck and ever-smaller middle class, have been forced by this "banking practice" to accept that their mortgages be indexed to the inflation rate, that credit card debts increase between 65 to 90 percent, and that average monthly payments increase by a further 70 percent.

The reduction of interest rates for bank debtors with minimum balances, which was decided as part of ADE, as well as the renegotiation of UDI's, has allowed the authorities to depress the growth of debtor political movements by inducing the legal recognition of the debts (that starts by the signing of the letter of intent under the precept "I know I owe, I have no way to pay") [debo no niego, pago no tengo], but has failed to alleviate the financial burden of those who in less that a year were forced to pay up to 100 percent more in their monthly payments, while at the same time have watched their balances grow between 65 and 120 percent and the promise to cover them in several more years.

According to an investigation conducted by EL FINANCIERO, the increase in bank debts of more than 100 percent is due in certain cases to the capitalization of interests, which on the most part were agreed to under duress between debtors and bank representatives, under the threat of losing properties or having to face legal actions that end in embargoes.

A mortgage signed in 1991 or 1992 with an initial balance of 280,000 pesos for a 10-year term and monthly payments of 2,500 pesos, is commonly found today, four years after, with a balance of 540,000 pesos, restructured in UDI's to 25 years, with monthly payments of 4,700 pesos. In these four years, the greatest increase in debt, interests, and monthly payments, has taken place between January 1995 to this date.

The 93 percent increase in the balance due is basically explained by the so-called "capitalization of interests," the increase in payment time due to the forced restructured debt — in most cases with more than one restructure. The monthly payment, and taking into account the balance due in March 1995, is subject to an increase of approximately 50 percent every 30 days, even when taking into account the UDI restructure, which in addition has a monthly adjustment rate of between 8 to 12 percent on the monthly payment.

In addition to the original debt and monthly balance, restructures index the debt balance and monthly payments to the inflation rate, without effectively taking into account the debtor's capacity for payment. Up to now, income is the only thing that is not adjusted to inflation, such as the exchange rate, interest rates, and all commercial and noncommercial goods.

The most adverse effect can be seen in credits for consumer goods, where the restructure headway is less than 30 percent. The actual banks will have to recognize a "cut" in capital for interests in view that in most cases the goods — autos, household appliances, and so forth — in addition to being depreciated, are used. In order to rid of these "assets," an auction would be the only alternative. Under this circumstance the alternative is to "auction it off to the original holder."

A simpler example is a compact automobile purchased in 1992 at an initial cost of 38,000 pesos. Up to December 1994 the bank client has an outstanding balance of 28,000 pesos of debt a year. And if the entire accumulated initial service is taken into account, close to 50,000 pesos, the restructure, in the event the client accepts, means accepting a debt that is twice the value of the car, and has spend a further two years paying for it.

On Tuesday, the financial authorities will report on the ADE headway and probably a restructure program in UDI's, which adds up to slightly more than 110 billion pesos of the 165 billion programmed in April 1995. For the debtors the advantages are nil.

Mexican Official: U.S. Decisions on NAFTA 'Arbitrary'

PA1002022896 Mexico City LA JORNADA in Spanish 9 Feb 96

[Report by Patricia Munoz Rios — received via Internet]

[FBIS Translated Excerpt] Hector Marquez Solis, liaison and follow-up with North America director [title as received] of the Commerce and Industrial Development Secretariat (Secofi), has maintained that Mexico must not pay the United States its arbitrary decisions back "with its own coin," because it would be a declaration that NAFTA is "unable" to handle trilateral relations.

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The official made this statement at a roundtable the National Autonomous University of Mexico (UNAM) and the Metropolitan Autonomous University (UAM) organized to analyze the Mexican-Bolivian free trade agreement.

At the forum, Marquez explained that U.S. unilateral measures, as well as protectionist regulations, emerge at the drop of a hat. This is why it is important to consolidate the trade agreements as a legal instrument to instill certainty in trade exchanges and security into the relations, because, otherwise, the entry of domestic products into foreign markets — in this case, the U.S. market — would be subjected to all sorts of fluctuations. [passage omitted]

'Pirate' U.S. Trucks Said Transporting Goods From Mexico

PA1002043496 Mexico City Radio Red Network in Spanish 0000 GMT 10 Feb 96

[Report by Javier Rosales; from "The Night Monitor" newscast]

[FBIS Translated Text] In Ciudad Victoria, Tamaulipas, it has been denounced that at least 300 U.S. cargo trucks, some of them described as pirate trucks, that is, lacking the NAFTA permit to operate on the Mexican side, are crossing the border every day to transport merchandise to the U.S. side.

This means that Mexican truckers, transporters, are being deprived of jobs. Javier Rosales has details from Tamaulipas.

[Rosales] Truckers from Matamoros, Tamaulipas, are idle. This morning some 300 cargo trucks began crossing the Mexican border to transport all sorts of merchandise to the United States, something that is being tolerated by the authorities.

This has been denounced by Rodolfo Gonzalez Lopez, president of the Cargo Transportation Chamber in the border region. He has said that while Mexican truckers have been encountering all sorts of obstacles in crossing the border since this past December, the openings being offered to the U.S. truckers are lucrative.

He said that the Finance Secretariat, the Commerce and Industrial Development Secretariat, and the Communications and Transportation Secretariat were responsible for this situation. He said that many of the U.S. trucks that cross the border are pirate trucks, that is, they do not have the necessary permits to transport goods.

According to Gonzalez, in the United States, Mexican truckers must present an annual inspection sticker. If they do not have it, they are fined up to $300. This is illogical, because they charge only 1,000 pesos for each trip they make.

The circulation of U.S. trucks in Matamoros, Tamaulipas, was initiated after some Texas Valley sectors protested over delays in receiving merchandise exported by Mexico.

The Confederation of [illegible]ican Workers [CTM] of Tamaulipas is upset with [illegible]s situation, because the cargo transportation sector o[illegible] the confederation is confronting this problem.

Adelaida de la Cruz Moreno, a CTM-Tamaulipas leader, comments on this:

[Begin De la Cruz recording] We have established that Mexicans must fulfill an exaggerated number of requirements, including a requirement that their truck models be new. [end recording]

Transporters from Matamoros, Tamaulipas, have cautioned that if this irregularity is not resolved by next week, they will either block the international bridge or declare a transportation strike.

Mexican Editorial on Criticism of U.S. Envoy, Drug Policy

PA1002154796 Mexico City LA JORNADA in Spanish 7 Feb 96 p 2

[Editorial: "Mr. Jones Talks About Drugs"]

[FBIS Translated Text] Once again, as if the problem of the production, distribution, and consumption of drugs has not been thoroughly studied, analyzed, and discussed, U.S. Ambassador James Jones tackled the issue from the peculiar point of view of the United States. He says fundamental responsibility for the drug business falls upon the country-producers of the narcotics, while the consumers (and the culture which promotes the use of drugs) are only victims of the undeniable drug trafficking organization, which operates from Latin America.

Jones' statements are generally characterized by a calculated cleverness — to the contrary of the majority of his predecessors — nevertheless, he loyally respects the policies and approach of his government toward drug trafficking. Jones, in a diplomatic and gentle way, tries to minimize the role played by U.S. society, whose demand for drugs is virtually endless, and stresses the fact, which for Washington seems certain, that producers are more responsible than consumers for the existence of a profitable narcotics market.

When Jones said that in the United States the retailing of drugs prevails over "the wholesale," (which presupposes

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the nonexistence of cartels such as the ones operating in Latin America), it seems to imply that he is suggesting that thousands of drug pushers and hundreds of thousands of drug addicts are a problem that is much easier to control than a few, powerful organized bands that produce, process, and export such drugs. This reasoning — shared by officials in Washington — makes as much good sense as banning the manufacture of glasses to counter the actions of a myopic murderer.

Jones' statements sound fair and reasonable, when he says that "the U.S. Government is actively working, and the Mexican Government is trying to do its share." There is no need for very sharp perceptions to see the difference in judgment: The United States "works"; on the contrary, Mexico "is trying to work."

It would be naive to believe that the punctilious U.S. ambassador simply made a semantic mistake: James Jones may have many flaws, but he is never vague, erratic, or misleading in his statements. The average American could candidly refer to the "extreme susceptibility of Mexicans" and the "misinterpretations due to the language" (this happened on several occasions during John Gavin's tenure — whose Spanish was impeccable — and at least once during John Dimitri Negroponte's diplomatic performance). This is not the case with Ambassador Jones, who is very cautious in his speech, although, every time his declarations cross the line, he claims a regretful linguistic misunderstanding.

Regardless of the arguments made by Jones on this occasion, the truth is that he mildly pointed out the idea supported by experts, who from the United States seek the end of the drug cartels: In conclusion, the main reason U.S. society is being undermined by drugs clearly lies south of the Rio Bravo and not in the chaotic and disorganized social body of the world's most powerful nation.

Mexico Denies EU Members Refusing To Sign Trade Pacts

PA1002041296 Mexico City NOTIMEX in Spanish 0033 GMT 10 Feb 96

[FBIS Translated Text] Mexico City, 9 Feb (NOTIMEX) — Foreign Relations Secretary Jose Angel Gurria today denied that some EU countries are refusing to sign trade agreements with Mexico.

In a radio interview, the secretary denied that France opposes the trade agreement and recalled that Mexico and the EU signed a solemn declaration during France's turn at the EU presidency. "There are no reports of any country refusing or opposing an agreement with Mexico," Gurria pointed out.

He explained that such countries as France and Portugal have certain preferences over the manner, the speed, and scope of the issues that must be included in the agenda of negotiations. This is why Mexico is working with the 15 countries to find the best solution.

According to Gurria, in the case of France, the main obstacle concerns the protection of farm products, while other countries propose specific treatments of select products. However, he insisted that "they do not oppose the negotiations."

On another subject, the foreign secretary affirmed that the Italian Chamber of Deputies voiced to President Ernesto Zedillo its all-out support of the trade agreement that is about to be negotiated.

Gurria also spoke about the president's meeting with Pope John Paul II during the official visit the former made to Italy, a visit he described as "very significant." He explained that Zedillo and the pope talked about their mutual interest in fighting poverty, the case of Chiapas and its development, the negotiated institutional solution that was found, and the imminent agreements on the Indians issue.

The Mexican secretary raised the possibility of German Chancellor Helmut Kohl visiting Mexico and said that during Zedillo's tour of Europe, French President Jacques Chirac invited him to visit France by the middle of the year.

Secretary Gurria also referred to the upcoming summit of the presidents of Central America and Mexico called "Tuxtla II," in which, he explained, Panama and Belize, in addition to the five Central American countries, will participate for the first time.

The president will discuss political and cooperation issues, as well as economic and commercial issues, as part of a very broad agenda of cooperation.

In the interview, Gurria talked about the Mexican Government's concern for what may happen at the border with the United States, where that country's government has stepped up surveillance.

He said the increase in the number of border patrol units may lead to incidents, may heighten tensions, and may adversely affect the treatment and attitude toward Mexicans, who are legal or illegal residents in that country.

Gurria also said it creates a negative atmosphere toward his fellow countrymen, a situation he described as "worrisome," and demanded that the immigration laws must be enforced in keeping with human rights precepts.

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He said it is possible that some U.S. candidates may use topics such as the immigration issue, drug trafficking, and trade issues in search for votes, therefore, he said, "we understand it, but we neither condemn it nor justify it, and we are not going to stand around with our arms crossed."

As for the political asylum that Mexicans Vicente Mayoral Valenzuela and Rodolfo Mayoral Esquer will request in the United States, Gurria said it is a privilege of the United States to decide whether to grant it or not.

The Mayorals, who were cleared by the Mexican justice system from alleged involvement in the assassination of presidential candidate Luis Donaldo Colosio, entered the United States without any documents on 7 February and asked for political asylum because they fear they could be arrested once again for this case.

Gurria also said the expulsion of drug trafficker Juan Garcia Abrego was in keeping with the Constitution because his presence on Mexican territory was not in the country's best interest.

UK Willing To Sign Free Trade Pact With Mexico Soon

PA1002005396 Mexico City LA JORNADA in Spanish 8 Feb 96 p 49

[Report by Armando Torres]

[FBIS Translated Text] Monterrey, Nuevo Leon, 7 Feb — The United Kingdom, which comprises England, Scotland, Ireland, and Wales, is willing to sign, as soon as possible, a free trade agreement with Mexico, British Trade Minister Anthony Nelson [title as published] said here.

During his visit to Monterrey, where he met privately with area businessmen, the European minister also said that more than $220 million will arrive in Mexico in 1996 as direct British investments.

Sectors in which the British are interested in investing are telecommunications, the environment, and the auto industry.

He also said that a British telephone company is holding talks with Alfa-ATT to do business in the telecommunication sector.

Nevertheless, he stressed that Mexico still has a long way to go in telecommunications deregulation and asked the Federal Government to anticipate the long distance call competition and do away with the conditions it places on enterprises interested in obtaining a license to operate telephone systems.

Regarding the signing of a free-trade agreement with Mexico, the minister said that negotiations are going on well, even though there are certain hitches to do with agricultural topics.

The British official, who met with Alfa and Cydsa entrepreneurs during his visit to Monterrey, said that a possible free-trade agreement will allow both sides to complement their economies.

In addition, he pointed out that the UK currently is the second largest foreign investor in Mexico, with a historic balance of $4 billion, thus the importance in establishing an area of free trade.

He added that free trade between Mexico and the UK would place Mexico as a leading economy in Latin America, in view that it would be Mexico's second most important free-trade agreement following NAFTA.

He mentioned that among the British companies that invest in Mexico, there is Shell, Albright and Wilson, Tate and Lyle, and that many of the most common brands in Mexico are owned by British firms such as Domecq wines, Burger King, Haagen Danz, Penafiel, Glaxo, Body Shop, and Hard Rock Cafe.

Nelson admitted that Mexico's economic slowdown has affected the import of British products, which dropped from 389 million pounds sterling, the equivalent of $620 million, in 1994; to 240 million pounds, about $380 million, in 1995.

Mexican President on Economic Crisis, U.S. Tuna Embargo

PA1002182296 Mexico City XEW Television Network in Spanish 0400 GMT 9 Feb 96

[From the "24 hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo was in Campeche State today. He attended the presentation of the National Fishery and Aquaculture Program 1995-2000.

During his tour through Campeche, President Zedillo said Mexico is overcoming adverse economic conditions, that the causes of the economic crisis that began at the end of 1994 have been overcome, and that solid bases are being built for the future.

[Begin Zedillo recording] We are overcoming in a relatively short period of time, considering the extent of the crisis, conditions that were truly adverse to our economy. Essentially, we have overcome the causes of the economic crisis that began at the end of 1994.

What is truly important is that we are establishing solid bases for the future. [end recording]

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In the message he delivered at the ceremony for signing the social development agreement with Campeche Governor Jorge Salomon, President Zedillo said the country today has better conditions for initiating sustained economic growth.

[Begin Zedillo recording] Mexico today has better conditions to initiate sustained economic growth and the creation of jobs society justly demands. [end recording]

Before this, at the presentation of the National Fishery and Aquaculture Program 1995-2000, the president said our country will continue firmly demanding of the U.S. Government the lifting of the tuna embargo which, he said, unjustly affects Mexican fishermen.

[Begin Zedillo recording] We will firmly continue demanding from the U.S. Government, that in response to improved tuna-fishing measures adopted by Mexican fishermen to assume environment responsibilities, that it lift the tuna embargo that unjustly affects our fishermen. [end recording]

The purpose of this program is to increase fishery through a sustainable use of resources, without affecting their renovation capability, and to modernize the fishing fleet.

After almost four hours in Campeche, President Zedillo returned to the country's capital.

Mexico's Trade in 1995 Registers 1st Surplus Since 1989

PA1002003896 Mexico City XEW Television Network in Spanish 0400 GMT 9 Feb 96

[From the "24 Hours" newscast]

[FBIS Translated Text] The Bank of Mexico, Banxico, reported today that in January the consumer price index increased by 3.59 percent compared to December 1995. From January 1995 to January 1996 the national consumer price index or inflation was 51.72 percent.

The basic family basket price index increased 4.75 percent in January compared to December 1995. According to Banxico, this was a result of increases in the price of fresh and processed meats, telephone, housing, subway, gasoline, bus fares, electricity, and automobiles.

Mexico's 1995 trade balance registered a surplus for the first time since 1989. The surplus was $7.348 billion because Mexico exported more than it imported last year. According to the Finance Secretariat, in 1995 Mexico sold $79.824 billion worth of merchandise abroad, that is, a 31-percent increase compared to 1994.

Mexico 'Firm' on Pemex Plant Privatization Plans

PA1002162796 Mexico City LA JORNADA in Spanish 8 Feb 96 p 52

[Report by Juan Antonio Zuniga M.]

[FBIS Translated Text] Alejandro Valenzuela, official spokesman for the Finance and Public Secretariat, said yesterday that the federal government has held firm in its intention to continue the privatization process of Pemex petrochemical plants, because it believes this is the best way to modernize them.

There have been some delays, especially in the Cosoleacaque plant, "but it must be made clear that privatization will continue in order to help make these plants more efficient and more productive," he said.

The spokesman explained that the privatization of the secondary petrochemical plants in the hands of Pemex is a complex process and not easily carried out, but reiterated: "The commitment is there, and this goal will be continued."

Regarding support programs to firms to restructure their debts with credit institutions, Alejandro Valenzuela announced that a sort of mediating committee has been created between creditors and debtors, in which financial authorities take part. The request has been received from 35 businesses to reach restructuring agreements that do not imply decapitalization.

He said that the idea has been to allow businesses that could not find a solution with their creditors to come to an agreement. Up to now two companies have reached agreement with this system, one was the Zapata Group — the main cork and tin [corchalata] manufacturer — and the other was Costamex. Both were restructured for an amount that together reached about $560 million.

Regarding the operating mechanism, Valenzuela said that "the rules of the game" consist of the committee reviewing each and every case and having it deal with enterprises that show an operating profit and at the same time are important employment "detonators" in the country. In addition, he added, that if 60 percent or three-fifths of creditor banks agree to restructure under the conditions the parties agree, the process takes place for all intermediary banks involved.

In the fortnightly news conference dealing with the financial development, the official spokesman blamed the 22.1 percent drop in Telefonos de Mexico [Telmex] profits in 1995 for the recent stock exchange price index drops.

Telmex results, he said, have caused a bloated market after investors reacted unfavorably, and their influence in the stock exchange is definitive.

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Nevertheless, he said, net Telefonos de Mexico profits surpassed 9.3 billion pesos — more than $1 billion — and he described as "significant" the fact that "despite Mexico having experienced one of the most painful crises of the decade," many Mexican companies were able to report acceptable profit levels during 1995.

Regarding results of the recent presidential tour to four European countries, Valenzuela said that three goals were accomplished: "Aiding close bilateral relations, encouraging multilateralism, and giving the country a global presence."

Mexico's International Reserves Drop $92 Million

PA1002154896 Mexico City EL FINANCIERO in Spanish 8 Feb 96 p 3

[Article by Wendy Rodriguez and Marco Antonio Duran]

[FBIS Translated Text] The Bank of Mexico [Banxico] reported that the country's international reserves dropped by $92 million between 31 January and 2 February, settling at $15.392 billion.

Banxico's net international reserves, however, increased by $12 million as a result of the sale of foreign exchange to the federal government for $42 million to service its foreign debt, as a result of Pemex [Mexican Petroleum] deposits of $38 million, and as a result of the receipt of foreign exchange for other operations for a net amount of $16 million.

It was reported that, during that same period of time, the monetary base increased by 1.346 billion pesos, a little more than usual before weekends given that Monday, 5 February, was a holiday.

Moreover, the national stock market reported losses for the second consecutive day amid a stability observed in the exchange rate and interest rates.

The Mexican Stock Exchange's leading indicator fell 37.26 points on Wednesday, 7 February, the equivalent of a 1.22-percent loss, down to 3,010.83 points.

Likewise, at the close of transactions at the exchange market, the dollar showed no variation with regard to the previous day. It was once again quoted at a purchasing price of 7.46 pesos and at a selling price of 7.47 pesos. Likewise, the green bill reported no changes at the exchange houses as it was purchased for 7.40 pesos and sold for 7.50 pesos.

Interbank interest rates broke the downward trend of the last few weeks when Banxico reported that the Average Inter-Bank Interest Rate (TIIP) increased by 0.058 points to an annual rate of 38.0361 percent. Meanwhile, the Inter-Bank Equilibrium Interest Rate (TIIE) increased by 0.05 points to an interest rate of 38.05 percent.

The minimal favorable results observed in the stock market during yesterday's sessions were largely due to the investors' apathy, who after learning of Telmex's [Mexican Telephone Co.] fourth quarter results decided to get rid of some of their Telmex stocks.

Operators said the stock market remained relatively calm, because those in the market for unstable stocks continued to wait for other corporate reports in order to finish drafting their medium- and long-term portfolios.

They said the forecast for national economic growth for the first quarter of the year continues to be positive and expect the stock market will return to its upward trend of the last few weeks.

Activities at the national exchange market were conducted amid the expectations and caution of participants, who barely reacted to the slight drop in the prime interest rate. After transactions closed, the dollar remained unchanged with regard to the previous day. It once again had a purchasing price of 7.46 pesos and a selling price of 7.47 pesos. Meanwhile, 24- and 48-hour contracts reported increases of 2 cents each, to a 7.46/7.47 peso purchasing price and a 7.465/7.475 peso selling price.

In exchange houses, the green bill did not report any variation. Its purchasing price was 7.40 pesos and selling price was 7.50 pesos.

Mexican Pharmaceuticals Face Sanitary Trade Barriers

PA1002022196 Mexico City LA JORNADA in Spanish 7 Feb 96 p 49

[Report by Angeles Cruz]

[FBIS Translated Text] Fernando Espinoza Abdala, president of the Marketing Commission of the Mexican Pharmaceutical Industry Association [Asociacion Mexicana de la Industria Farmaceutica — AMIF], reported yesterday that national pharmaceutical industry exports faces big nontariff barriers, which consist of sanitary regulations in the countries where sales are intended.

Interviewed following the inauguration of the Marketing to Pharmacies Forum, Espinoza mentioned that in 1995 the national pharmaceutical industry sold $2.47 billion, with returns that amounted to $50 million. He said that this was the sector's worst year in the past four decades due to a 15-percent drop in sales — drops that ranged up to 50 percent — especially for popular products.

He said that a recovery is not expected for 1996: "There is no reason to believe otherwise, due to the complicated

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situation the country is experiencing. Even though there are signs of improvement at the macro level, things at microeconomic level have not changed."

He explained that the process to sell products to Central America and the Caribbean — natural markets for Mexico — takes between six months to a year. If a trade agreement exists, the pharmaceutical industry must register the products before the various health agencies and then begin to export.

Espinoza Abdala, who is also the former president of the National Chamber of Pharmaceutical Industry, believes that another significant problem is that exports are not guaranteed through letters of credit, but take place at the expense of the industry.

He referred to the U.S. market, in which FDA regulations are the main stumbling block for the entry of Mexican products. "Supposedly the authorities are working on the standardization of norms, but we would like to know when are there going to be results," he underscored. Even so, the sector's trade balance deficit is only $250 million to $300 million.

There Will be Discounts For Medicines

Antonio Pascual Feria, president of the Union of Pharmacy Proprietors of the Valley of Mexico, disclosed a program of 25-percent discounts to 15 products of great demand.

The *Farma Club* program will be in effect for one year and will begin on 11 March, after the first "medicine basket" is reported on 5 March.

Mexican Government Views Party Support for Protesters

PA1002024296 Mexico City XEW Television Network in Spanish 0400 GMT 9 Feb 96

[From the "24 Hours" newscast]

[FBIS Translated Text] Regarding Tabasco, the Office of the Government Undersecretary has commented on statements made by leaders of the Party of the Democratic Revolution [PRD] who were today in Tabasco, as we reported earlier.

The office says that the government views the fact that the national leadership of this political party is supporting illegal actions that have been incited and implemented by fellow PRD members of that state, as an act of irresponsibility.

This party support aimed at encouraging those who are acting outside of the law to confront the government will not keep the authorities from acting within the law, the office says.

The office adds that this attitude is very close to being an apology in the defense of crime and this is not only punishable behavior, it also represents an absence of elemental sense of the civic responsibility that should guide all political activities.

The office adds that the government has ratified its decision to act with basis on the law and will adopt whatever measures are suitable to safeguard the conditions of legal liberties and security that all social and economic forces in the country require to carry out their activities.

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El Salvador

Salvadoran Military Exercise With U.S. Inaugurated

PA0902184396 San Salvador LA PRENSA GRAFICA in Spanish 6 Feb 96 p A36

[Report by Margarita Cerna]

[FBIS Translated Text] La Union — The Fuertes Caminos military exercise, which will involve members of the U.S. and Salvadoran Armies to build eight schools and four wells and offer medical assistance in the departments of La Union and Morazan, was inaugurated yesterday.

The exercise, which will last two months, will involve 550 members of the Builder Joint Task Force and 200 soldiers of the Salvadoran Army under the command of Lieutenant Colonel Koch who will be the coordinator.

The inauguration was headed by U.S. Ambassador Alan Flanigan who described the exercise as important for relations between the Armed Forces of the two nations.

According to General Lawson W. Magruder, chief of the Fuertes Caminos Division, the project will bring hopes of prosperity for the Salvadorans who live in rural areas. It symbolizes the best of democracy and reflects the work of both governments for the sake of the most needy, he added.

Fuertes Caminos 1996 will offer an invaluable opportunity for training and a cultural experience for the U.S. soldiers. Participating soldiers, sailors, and air technicians will carry out engineering, medicine, and logistics work and will share their knowledge with Salvadoran soldiers.

42,000 Salvadorans

The exercise seeks to benefit 42,000 residents of rural areas of the departments of La Union and Morazan. It will cost $7.1 million, of which more than $1 million will be spent on Salvadoran products, because construction materials will be purchased from Salvadoran manufacturers and purveyors.

Salvadoran Defense Minister General Jaime Guzman Morales assured that the exercise is a tangible effort to benefit the poorest of the population.

The first four exercises benefited more than 100,000 Salvadorans through the construction of schools, community centers, wells, clinics, streets, and community developmental works.

Opinions

Democratic Party Deputy Ana Guadalupe Martinez described the Fuertes Caminos exercise as positive, particularly because it will favor poor residents of Morazan, one of the departments with the worst developmental problems.

The various ministries have neglected developmental works in Morazan, and thus it has problems with water, electricity, streets, and other basic and important works for the normal development of its residents.

"I am convinced Morazan is among the country's most neglected departments, and this is why Fuertes Caminos is very significant," she added.

Sixto Castro Vanegas, who resides in one of the rural areas that will be benefited, said he is pleased with the exercise, because he believes the water problem in La Canada Canton, La Union, will be solved.

Yayantique resident Carlos Antonio Romero said Fuertes Caminos should be a permanent fixture; that is, once the U.S. soldiers leave the country, the soldiers who were trained should continue carrying out developmental works for the country's communities.

Salvadoran Minister on 'Biggest' Embassy Reshuffling

PA0902221796 San Salvador LA PRENSA GRAFICA in Spanish 7 Feb 96 p 6A

[Report by Alfredo Hernandez]

[FBIS Translated Text] The Foreign Ministry is currently conducting the biggest reshuffling of diplomats in Salvadoran history in its embassies abroad, Foreign Minister Ramon Gonzalez Giner has told the press.

The official said that ambassadors are being replaced in 10 missions in different parts of the world, mostly in the Americas, and that the current ambassador to the OAS will also be changed. Without disclosing the names of the replacements, Gonzalez said that the purpose of the reshuffling is to seek a more dynamic activity to promote the country.

"We are seeking a greater diplomatic capacity to achieve our goals, namely, a more dynamic activity in our embassies, especially on matters dealing with promoting the country abroad," the foreign minister explained. The official said that the current reshuffling is the largest in the history of the country.

"We have already asked every country (where the change will take place) for its approval and are awaiting (a response)," Gonzalez noted.

The countries where the ambassadors will be changed are Guatemala (Rafael Antonio Carballo Arevalo) and Costa Rica (Salvador Trigueros Hidalgo) in Central America.

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The envoys in Colombia (Alexander Arnold Kravetz) and Brazil (Alberto Gonzalez) will be replaced in South America. The ambassadors in Mexico (Rafael Meza Delgado) and Canada [name not given] in North America and the ambassador in the Dominican Republic (Guillermo Rubio Funes) in the Caribbean will also be replaced. In Europe, the heads of mission in Spain, United Kingdom, and Belgium are to be changed. Neither Gonzalez nor the Foreign Ministry wished to give officially the names of the ambassadors to be replaced, noting that diplomatic custom dictates that an appointee's name is not given until the country gives its approval.

As LA PRENSA GRAFICA reported on 18 January, the Foreign Ministry listed the missions that will have a new envoy. It had already been announced that Ambassadors Alberto Gonzalez and Rafael Meza Delgado resigned their posts on 1 January.

When referring to the situation of Salvadoran immigrants in the United States, the foreign minister explained that Salvadorans who did not register for the ABC [American Baptist Church] program have one last chance of not being deported from that country.

"Even if they are arrested to begin the deportation process, the immigrants can still begin a legal challenge to stay in the United States," Gonzalez stated.

Gonzalez said that Salvadorans who are captured for being illegally in that country can receive the advise of the Salvadoran Embassy in Washington on the legal challenge to prevent their extradition.

Honduras

Honduran President Defends UNSC Appointment

PA1002022596 Panama City ACAN in Spanish 2308 GMT 7 Feb 96

[FBIS Translated Text] Tegucigalpa, 7 Feb (ACAN-EFE) — Honduran President Carlos Roberto Reina said today that the appointment of former Armed Forces Commander General Luis Discua to the UN Security Council [UNSC] is a reward for Discua's "loyalty" and for having facilitated a trouble-free transition in the military command.

In his first public explanation of the appointment of Discua, who was replaced on 27 January by General Mario Hung Pacheco, Reina said: "This is my tribute to the loyalty he demonstrated toward my government and to the commendable way in which he contributed" to the transition in the Armed Forces.

He stated: "I have appointed him because I believe he deserves acknowledgment considering that the transition in the Armed Forces command was upstanding and this helps Honduras very much."

Human rights organizations have repudiated Discua's appointment believing that he wants to have diplomatic immunity to be protected against eventual trials on human rights violations charges.

These organizations say his appointment implies "bad use" of the position Honduras secured internationally when in January 1995 it was elected as a nonpermanent member of the UN Security Council for a two-year period.

Discua was the first commander of Battalion 3-16, which has been blamed for the situation of the 184 missing persons in Honduras in the 1980's.

The Committee of Relatives of Missing Prisoners in Honduras has sent UN Security Council President John Weston a "confidential file" on Discua, with the intention that Discua be declared persona non grata by this Council.

Reina said that if Discua "has arguments to defend himself, he must be heard despite the fact that there are organizations that question that difficult period of the missing people."

Reina noted: "Not only he, but many other persons, civilians and military, have been questioned, and this has to be totally cleared up."

Honduran Minister Denies Closing of Regional Embassies

PA0902232096 San Pedro Sula TIEMPO in Spanish 7 Feb 96 p 3

[Report by Francisco Rodriguez]

[FBIS Translated Text] Tegucigalpa — Foreign Minister Delmar Urbizo Panting guaranteed yesterday that no discussions have been held on closing Central American embassies but, rather, on establishing embassies in countries where the embassy will look after the interests of the nations in the region.

Urbizo reacted to a radio report that the government was considering whether to close its Central American embassies. "We are not shutting down our embassies or anything like that," he said, adding that he had repeated a friend's remark that, with today's news media, the regional embassies would no longer be needed.

Urbizo explained that by pursuing General Francisco Morazan's unionist way of thinking, Central America could establish embassies where a Salvadoran could represent the interests of all the countries in the region in order to streamline costs. "We are heading in that

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direction, that is, we should view Central America as a single country. We are planning it that at this moment," he said. Urbizo added that the regional ambassadors should not be concerned, because the embassies play a vital role and are not slated for closing.

The foreign minister stated that Honduras currently lacks the economic means to establish embassies in several key countries where promotional offices for investments and exports are needed. He said "Honduras has no embassy in Russia, which is a power, nor in India or Australia, because we have budget restrictions. We are testing a system to promote investments and exports by sharing common efforts."

Honduran President Views 'Differences' Over New Post

PA0902223696 Panama City ACAN in Spanish 0005 GMT 8 Feb 96

[FBIS Translated Text] Tegucigalpa, 7 Feb (ACAN-EFE) — Honduran President Roberto Reina hinted today that he has differences of opinion with the military on the change in defense minister proposed by the new Chief of the Armed Forces General Mario Hung Pacheco.

Even though he clarified "I have excellent relations with them," the president said that "they have their points of view, and I have mine: the minister of defense is a secretary of state of the president of the Republic," who appoints him.

Reina reaffirmed that Hung Pacheco, who on 27 January replaced General Luis Discua, "is the last officer to be chief of the Armed Forces" because this job will be taken up, precisely, by the minister of defense, which up to now has been a decorative post.

Hung Pacheco said on 29 January, when announcing the new military leadership, that Colonel Francisco Bustillo would be the new minister of defense in place of Gen. Reinaldo Andino, but corrected himself and said that he would propose the names of three officers to Reina, because it is the president who is empowered to make cabinet changes.

In addition to Bustillo, the other candidates are Col. Luis Soto and Cristobal Corrales.

After underscoring that "we may be replacing" Gen. Andino, the president reminded that the post of minister of defense depends on him, as well "as the head of the Presidential Honor Guard, which handles the president and his family's security."

According to local media versions, Hung Pacheco also wanted to replace Gen. Alvaro Romero, current head of security, whom Reina trusts foremost.

The president said: "I am talking with them (the officers) and this can be fixed in a way that is correct, respectful, and beneficial for everyone" and stressed that the change in defense minister "is still pending."

Reina was behind the change of obligatory military service to a voluntary system and removed the military from the control of several state institutions that they had handled since the 1970's.

Also pending is the completion of transfer of the police to civilian hands and the approval of the constitutional reforms to end the post of chief of the Armed Forces.

Honduran Armed Forces Chief: Military Not in Power

PA1002162896 Tegucigalpa LA TRIBUNA in Spanish 7 Feb 96 p 13

[FBIS Translated Text] Danli, El Paraiso — General Mario Raul Hung Pacheco, commander of the Honduran Armed Forces, told reporters in the country's eastern region that "in Honduras the military is not in power." He added: "We have been clear on this: We are not a separate power. We are a prop of the constitutional government and are prepared to help the government in whatever is our field of action, as the Constitution states."

General Hung Pacheco also spoke about the situation on the border with Nicaragua where the mine-removal operation could be paralyzed over a lack of budget. He said: "This is an inherited situation that was not created by Hondurans but whose consequences we are unfortunately enduring. We are going to do whatever is possible to continue removing mines from the area, and efforts will continue being made to obtain more funds from international organizations such as the Inter-American Defense Board."

With regard to drug-trafficking, especially in the country's northern sector, the military chief appeared very concerned. He said: "Not only the Armed Forces, but all the people, must become aware of this. In the past Honduras served as a bridge for drug-trafficking operations but now, unfortunately, we have the problem right here because the drug traffickers are beginning to reach our young people, and this has to be analyzed by the proper authorities to give this problem a specific answer."

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Honduran Government Deputy Said Uninjured in Attack

PA1102200996 Panama City ACAN in Spanish 1722 GMT 11 Feb 96

[FBIS Translated Text] Tegucigalpa, 11 Feb (ACAN-EFE) — Honduran Deputy Carlos Turcios, who belongs to the governing Liberal Party, was uninjured in an attack Saturday night when he was driving his vehicle on an avenue located in the furthermost southeastern area of Tegucigalpa. The information was provided by the politician himself today, Sunday.

Turcias said he was shot at from another vehicle that was moving at high speed and that later passed him at the Fuerzas Armadas Avenue.

The bullets totally destroyed the rear and right-hand windows of his vehicle, Turcios added. He presented the corresponding charges at the Criminal Investigation Department (DIC) today.

Deputy Turcios said he does not know who could have tried to kill him and, in principle, discounted military elements reacting to several of his positions regarding the Armed Forces. Turcios has questioned several Armed Forces actions.

According to the liberal politician, one of the individuals in the attacking vehicle also insulted him verbally.

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Argentina

Argentina's Menem Comments on Opening of FBI Office

PY0902211596 Buenos Aires LA PRENSA in Spanish 7 Feb 96 p 3

[FBIS Translated Text] President Carlos Menem stated on 6 February there is still no firm date for the FBI, the U.S. Federal Police [as published], to set up an office in Argentina, and highlighted the need to upgrade measures to fight crime. He said: "I do not see any problem with the FBI having an office here just as it has one in Brazil and Uruguay. To the contrary, we will be better informed and we will have the possibility of pursuing all types of criminal activity."

Resorting to an address that for once is consistent among the men of the government, Alberto Kohan, secretary general of the Presidency, agreed with what Menem said and with the "welcome" that Interior Minister Carlos Corach gave to the agreement that Menem and FBI Director Louis Freeh reached in Switzerland.

Kohan said: "Just as the government demands the disappearance of crime sanctuaries, it is also important to have greater cooperation among those who fight crime in different countries."

Justifying the permission for the FBI to open an office, Menem warned in remarks to a radio station that "criminal activity is growing — such as the consumption of drugs and drug trafficking — and are destroying the roots of society." He maintained: "No firm date has been set." In some way he created an enigma when he said that the possible setting up of an FBI office "is being studied."

Menem said: "This is why I find it strange that an opposition politician opposes the installation of an FBI office in Argentina. If the United States has an embassy then why can it not have an FBI office." Menem thus referred to comments made on 5 February by Senator Leopoldo Moreau (Radical Civic Union), who opposes the idea. Ironically he asked what would happen if he sought authorization to open a Federal Police office in Washington.

In this respect, Menem said: "If we wanted to open a Federal Police office in the United States I have no doubt it would be authorized because the protection of society is being sought and this is one way to do it."

After rejecting that the IBM-Argentine National Bank case was discussed during his meeting with Frech (Economy Minister Domingo Cavallo confirmed this when consulted from Buenos Aires), Menem maintained that he and the U.S. official "spoke of the need for closer contacts. I brought up the subject."

Menem said: "A world that becomes more global from the economic and political viewpoints also goes global in the criminal world. Thus, we must update the appropriate measures with every sector of the community, especially those responsible for pursuing crime." He reaffirmed a thought that was explained in exactly the same terms by the interior minister when he exchanged words with Moreau.

Kohan also followed the official line. He said: "As relations between countries becomes more global, the world of business also goes global, the world of the businessman also goes global, and the world of crime goes global, therefore greater cooperation must exist."

The FBI is investigating in Argentina an alleged bribe in an informatics contract amounting to $250 million that the Argentine National Bank and the U.S. IBM company signed. Meanwhile the courts are trying to establish if a bribe was paid on the Centenario Project contract and on three other agreements that were signed by IBM with provincial organizations and the Supreme Court.

The U.S. police are also interested in the investigation of the murder of Chilean General Carlos Prats, which occurred in September 1974, due to the links with U.S. citizen Michael Townley, who was sentenced in his country for the murder of former Chilean Foreign Minister Osvaldo Letelier.

Argentine President Interviewed on Drug Trafficking

PY0902181796 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1213 GMT 8 Feb 96

[FBIS Translated Text] Buenos Aires, 8 Feb (AFP-NA) — In an exclusive interview with AFP, Argentine President Carlos Menem today said that a common law — both in terms of procedures and substantive provisions — is needed to fight the power of drug traffickers who are moving $600 billion annually and who can cause "serious problems to governments, as they have been doing in Colombia."

In his one-hour interview with AFP, Menem said: "I know President Ernesto Semper. He is an excellent person who has requested that the Colombian Congress give him the normal opportunities to defend himself. It is the least a person who has been the target of such a harsh, severe, tremendous attack can ask for."

Men... advocated a globalized effort to fight crimes such as drug trafficking and terrorism, which he considered to be closely connected.

Menem said: "I have proposed the idea of promoting the creation of a common law — both in terms of

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procedures and substantive provisions — for all those countries that may choose to enforce it. I have made this proposal at the United Nations on two occasions, within Mercosur [Common Market of the South] every time I had a chance to do so, in Switzerland a few hours ago, and to FBI officials."

He added: "Through this common procedure, someone who faces drug trafficking charges in the United States but who is arrested here may be tried and convicted here in Argentina."

Menem added: "After all, the defendant will receive the same punishment that he would have received in the country where he committed the crimes. We would thus be dispensing with that atrocious bureaucracy involved in extraditing an individual from one country to another for the purpose of standing trial in the venue where he committed the crime."

Menem described as "inconceivable" the Belgian refusal to grant the extradition of two alleged ETA [Basque Fatherland and Liberty] terrorists.

Menem said: "On what grounds, if Spain has proven that these two individuals are terrorists?" He warned that "Belgium could have similar problems in the future."

Although admitting that drugs are both traded and consumed in Argentina, Menem ruled out the possibility of its having influenced the Argentine Government.

Menem said: "There is drug trafficking and consumption worldwide, but here it is not as notorious as it is in other Latin American countries and in Europe, let alone East Europe. It is a worldwide tragedy."

He emphasized that in Argentina "there are no organizations similar to those existing in other countries, such as the Cali and Medellin drug cartels."

Menem described as "close" the connection existing between drug trafficking and terrorism. He noted that "this situation occurred both in Bolivia and Peru."

Instead, he stated that narcoterrorism was not involved in the bloody attacks perpetrated against the Israeli Embassy and the AMIA [Argentine-Israeli Mutual Association] in 1992 and 1994 in Argentina.

Menem said that "neither narcotrafficking nor narcoterrorism had anything to do with those attacks, which I believe were prompted by other situations."

Menem made it clear that "organizations such as Shining Path and similiar movements, are closely linked to narcotrafficking. Yet, there are other organizations that are of a purely terrorist nature."

He cited the case of ETA in Spain which, he said, "I do not believe has any connection with narcotrafficking, but which is indeed a terrorist organization."

He said that this is why "we should tell them apart. Normally, guerrilla oroganizations in this part of the continent obtain funds from drug traffickers. I am referring to movements such as Shining Path, Tupac Amaru, and others."

Smiling and displaying irony at the same time, Menem said: "This is why I.... I have been criticized, but when a person who follows orders from the head of an organization pushes drugs in schools, catering to seven- or eight-year-old kids, I am not asking the death penalty for the pusher, but for the drug boss who ordered him to do so."

Addresing the AFP journalists, Menem said: "I would like you to put yourselves in the shoes of people having a child, a son, having that problem."

Argentine Judge on Possibility of Money Laundering

PY0902222996 Buenos Aires AMBITO FINANCIERO in Spanish 9 Feb 96 p 6

[Article by Hugo Morales]

[FBIS Translated Excerpt] Judge Adolfo Bagnasco on 8 February implicitly accepted that, within the scandal involving the Argentine National Bank over the purchase of informatics equipment, money laundering could have occurred. Bagnasco said: "The U.S. judicial branch finds all these procedures very interesting because money produced by a crime and recirculated through the bank circuits constitutes money laundering." This court is also anxiously awaiting the testimony of Angel Giannattasio, the second of "the untouchables" of the DGI [General Directorate of Taxation], who is supposed to have important documentation on the actions of the CONSAD-CCR [expansion unknown] enterprise in the Centenario Project.

The judge also mentioned the request by Thomas G. Snow, chief of the Fraud Section of the Criminal Division of the U.S. Justice Department, to question 12 persons, among them Alberto Kohan and former Mendoza Province Governors Jose Octavio Bordon — who is currently a senator — and Rodolfo Gabrielli. Kohan appears to be involved due to the links of Juan Carlos Cataneo, his deputy, with the CONSAD-CCR enterprise. Kohan maintained that he will testify personally despite the fact that he can do so in writing. [passage omitted]

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Argentina Adopts Border Zone Security Measures

PY0902182096 Buenos Aires TELAM in Spanish 0014 GMT 8 Feb 96

[FBIS Translated Text] Buenos Aires, 7 Feb (TELAM) — For the Argentine Government, security in the border zone shared with Brazil and Paraguay is a priority issue in its struggle against terrorism, drug trafficking, and contraband.

This was asserted by Interior Minister Carlos Corach, as he agreed on a series of common operational measures to guarantee security and control the traffic of people and merchandise at that border zone shared with the two neighboring countries.

At the end of a three-day meeting in Buenos Aires to discuss border security, Corach said that "for the Argentine Government, security on the three borders is an essential issue for the struggle against terrorism, drug trafficking, and contraband."

Among the measures agreed on are the creation of the "Border Traffic Pass" [Documento de Transito Vencinal] for the people living within 50 km of the border, to be issued by any of the three countries, designed to expedite the traffic of people without weakening migration control.

The agreement is contained in a document signed by security, migration, intelligence, and diplomatic authorities of the three countries, who discussed the impact security has on issues such as terrorism, drug trafficking, and contraband.

Corach said the agreement "is an effort to eliminate this physical sanctuary of international crime and ensure a situation of clarity on our borders."

The minister said that for Argentina, the subject of security in the border zone shared by the three countries is "a high priority" and that "not only President Carlos Menem, but all Argentine organizations linked to the subject," are determined to safeguard it.

He then urged those attending the meeting to "loyally and decidedly cooperate to jointly ensure a situation of clarity on our borders" and to "find an efficient series of measures to safeguard the moral and physical integrity of our societies."

Also among the measures agreed upon are the decision to coordinate the activities of the competent organs in the border zone, to control the traffic of people and vehicles and the authenticity of their respective documents.

A common data base will be created and those already existing on people and vehicles will be interconnected, taking the tri-border area as a starting point.

Within this framework, it was proposed to create a document consultation center, which should operate uninterruptedly to facilitate the verification of information and thus guarantee security in the region.

For this it was recommended that a sole document system be created, of a voluntary nature, called "Border Traffic Pass," to be issued by any of the three countries, with a requirement that the pass be authenticated by the remaining two countries to become valid.

The Paraguayan delegation was headed by Vice Interior Minister Cristobal Sanchez, while the Brazilian delegation was headed by Marcelo Jardim, head of the Foreign Ministry's Meridional America Division.

Argentina was represented by Adrian Pelacchi, chief of the Federal Police; Hugo Franco, trustee of the Migrations Directorate; Alieto Guadagni, Argentine ambassador to Brazil; Andres Antonietti, secretary for security and the protection of the community; and Aldo Carreras, population secretary, among others.

Argentine Minister in Spain, Defends Fishing Policy

PY0902220996 Buenos Aires TELAM in Spanish 0005 GMT 6 Feb 96

[FBIS Translated Text] Buenos Aires, 5 Feb (TELAM) — Foreign Minister Guido Di Tella has evaluated in Spain the progress of relations with the EU, and defended Argentina's right to negotiate the development of fishing activities in the South Atlantic with that trade bloc.

A Foreign Ministry spokesperson said: "Foreign Minister Di Tella held a meeting at the Spanish Foreign Ministry during which he defended Argentina's right to negotiate fishing exploitation in the South Atlantic in contrast with the British, who assume those rights."

Vice Foreign Minister Fernando Petrella and Foreign Policy Under Secretary Guillermo Gonzalez gave a similar explanation to the Spanish and Italian ambassadors in Buenos Aires.

Spanish Ambassador Ramon Martinez Fresno and Italian Ambassador Giuseppe Maria Borga visited the Foreign Ministry this afternoon, where they met with Petrella and Gonzalez.

The spokesperson said: "The diplomats noted the Argentine position and indicated that although the Argentine-British conflict in the area of the Malvinas Islands is recognized by the United Nations, the EU has no say in the matter."

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The defense of Argentine fishing rights in the South Atlantic seeks to counter the British intention to assume the representation of the zone before the EU based on its de-facto occupation of the Malvinas Islands.

Talks with the EU are being held while Argentina is negotiating with Great Britain a "long range" fishing agreement of at least 2 years duration to determine the joint exploitation of the resources in the area of the Malvinas.

The foreign ministers of the two countries last week discussed the topic in London. After the meeting Di Tella said: "There is still some disharmony that prevents reaching an understanding."

Di Tella arrived today in Madrid from Davos, Switzerland, to meet with high-ranking officials of the Spanish Foreign Ministry.

Argentina Seeks 'Long-Term' Fishing Accord With UK

PY0902231996 Buenos Aires TELAM in Spanish 2304 GMT 8 Feb 96

[FBIS Translated Text] Buenos Aires, 8 Feb (TELAM) — Foreign Policy Under Secretary Guillermo Gonzalez said today that Argentina is willing to reach a long-term fishing agreement with Great Britain in the South Atlantic as long as it does not affect its sovereign rights over the Malvinas Islands.

"Argentina wants a fishing agreement with Great Britain — but not just any agreement," said Gonzalez who conditioned an agreement to "formulas of understanding safeguarding the Argentine rights on political, economic, and commercial matters in the South Atlantic."

Gonzalez announced at the Foreign Ministry that the third "informal meeting" of Argentine and British experts to discuss the fishing issue will be held on 28 February in Buenos Aires and that a "formal meeting" on the oil issue will be held on 29 February.

Gonzalez said the meeting on 29 February "will be very important because it will be the formation of the Argentine-British Joint Commission as established in the oil agreement signed last September."

Regarding the fishing issue, Gonzalez pointed out: "The signing of a long-term agreement would be good for both countries because it would allow serious scientific studies on the quantity of fish and to determine how much to fish."

The fish in the zone basically comprises squid and hake.

Gonzalez added: "The talks (with Great Britain) show the task is complex because it affects political, economic, and commercial rights that must be preserved."

Gonzalez denied that the search for a fishing agreement with Great Britain is part of a commitment made during the negotiations for the oil agreement.

He added: "They are separate negotiations that have nothing to do with each other."

He also denied that the current negotiations have any link with the announced trip of President Carlos Menem to London.

Gonzalez concluded: "All presidential trips have substantial political importance, but the one scheduled to London has a special connotation, and under no circumstance is it subordinated to the progress on the fishing negotiations."

Bolivia

EU Grants Bolivia $100 Million for Antidrug Fight

PY0902233496 Cochabamba LOS TIEMPOS in Spanish 2 Feb 96 p A2

[FBIS Translated Excerpt] La Paz, 1 Feb (LOS TIEMPOS) — The EU officially announced on 1 February that it will grant $100 million to Bolivia to help it fight drug trafficking and for the alternative development programs. The grant was obtained by President Gonzalo Sanchez de Lozada and Foreign Minister Antonio Aranibar Quiroga during their trip to Europe in 1995.

This was announced by Jose Guillermo Justiniano, minister of the Presidency, some hours after the U.S. Government decided to reduce to "zero" the aid to eradicate coca plantations and that it will only provide $47.7 million for alternative development programs and to prevent the use of drugs.

Justiniano said: "We have received information that the EU is willing to provide $100 million. This information was obtained when the president was in Europe, during a meeting with French President Jacques Chirac."

The minister believes that at the moment of truth the so-called shared responsibility in the fight against drug trafficking, as proclaimed by the United States, "became mere lip service."

Justiniano indicated that payments for the eradication of excess and illegal coca plantations is guaranteed because a significant amount has been provided for in the budget.

He said: "For the first time the budget grants funds for this objective and we will await the return of the government minister [Carlos Sanchez Berzain] so that he can report what happened in the United States." He added that the minister will be back in 2 days because he is still talking with U.S. authorities.

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The government is awaiting a detailed report on Sanchez Berzain' trip to the United States. Moreover, the situation for the executive branch is no longer conflictive because only bureaucratic details remain to be settled before receiving the support announced by the EU. [passage omitted]

Bolivian Daily: Democracy 'Threatened' by Drug Trafficking

PY0902182396 La Paz LA RAZON in Spanish 31 Jan 96 p A5

[Editorial: "Democratic Institutions Threatened by Drug Trafficking"]

[FBIS Translated Text] Whatever the outcome of the Colombian crisis, with President Samper on the brink of resignation or dismissal, it is clear enough that drug trafficking has once again shown its capacity to jeopardize the democratic system in the countries in which its operations are more intense.

We ourselves, in Bolivia, have just felt the capacity of drug trafficking, in the case of the MIR [Movement of the Revolutionary Left] "drug trafficking links" — which resulted in former President Jaime Paz Zamora losing a U.S. visa — and in the still confusing "drug plane" case. Not to mention Mexico, where daily events like the recent case of the family of former President Salinas de Gortari reflect the same situation.

All of this serves to describe only one side of the problem, in the Latin American countries that produce the raw material and that process the drug. On the other side, in the United States, where there is unending demand for drugs, the destabilizing effects are less obvious and less intense, because they occur in the world's greatest power. Such effects extend beyond the U.S. borders and hit Latin American nations, making this region suffer even harder consequences and creating an unfair international situation.

In the United States, however, several human rights organizations have regularly warned about irregular situations arising from drug enforcement action. Moreover, that powerful nation, which is engaged in its own fight, has not yet been able to successfully eradicate marijuana farms.

The Colombian case is particularly dramatic. Not only is the Colombian president being jeopardized by the apparently undeniable financial contribution that drug trafficking made to his electoral campaign. In fact, drug trafficking has so deeply infiltrated Colombian democratic institutions that it has reached Congress; some activities in the productive, sports, and journalistic sectors; and the police and the Armed Forces. Infiltration has been so intense that it has seriously harmed the Presidency of the Republic — a deeply respected institution in a country like Colombia, in which democratic traditions developed after the confrontation between liberals and conservative sectors was over. Considerable efforts are being made in Bogota so that the resolution of the crisis does not break or harm the institutions.

It is an unequal fight, because drug traffickers are always on the most advantageous side, despite their occasional setbacks. As soon as a gang is busted, a new one emerges; as soon as the head of a cartel begins a recess or is arrested, he is immediately replaced. All this is done with money, and with an extraordinary power of penetration. On the other hand, those who fight drug traffickers are always fewer in number and with clear disadvantages.

Democratic institutions are undoubtedly being jeopardized. Because of its very nature, drug trafficking will always be better prepared and ready to win. This situation — of which the Colombian case is a dramatic example — gives rise to such questions as: Aren't the threats against democracy being fed, to a considerable extent, by the drug enforcement policies prevailing throughout the world, policies that, above all, seek to repress, instead of easing restrictions on, drugs?

Brazil

Brazilian Spokesman: Clinton 'Never Negotiated' Sivam

PY1002004296 Sao Paulo AGENCIA ESTADO in Portuguese 2133 GMT 9 Feb 96

[FBIS Translated Text] Brasilia, 9 Feb (AE) — Presidential Spokesman Sergio Amaral today emphasized that President Fernando Henrique Cardoso never negotiated the approval of the Amazon Region Surveillance System (Sivam) with U.S. President Bill Clinton. He said the two presidents spoke by phone at the end of May 1995, but about something else. Amaral, however, did not mention the issue addressed by the two presidents. He said: "They spoke about something else, and the president said the U.S. enterprise Raytheon had been selected for the project." He added: "At no time during the conversation did Presidents Cardoso and Clinton make any reference to negotiations over Sivam." On 8 February, Amaral denied the two presidents addressed Sivam during a phone conversation.

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Brazilian Scientific Group Decides To Endorse Sivam

PY1002013796 Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Feb 96 p 4

[Report by Leandro Fortes]

[FBIS Translated Text] Brasilia — The Brazilian Society for Scientific Development (SBPC) — which encompasses the largest, most respected group of opponents to the Sivam (Amazon Region Surveillance System) project within the scientific community — has decided to endorse Sivam. SBPC President Sergio Henrique Ferreira said: "I have assumed a position like that of Vicentinho." Ferreira thus ironically referred to the willingness shown by Vicentinho, president of the Sole Workers Center (CUT), in negotiating the social security reform with the administration. The SBPC advocates the use of Brazilian technology in the Sivam project.

The scientists decided to endorse the project after watching Brigadier Marco Antonio de Oliveira, chief of the Air Force's Sivam Coordinating Commission (CCSivam), weep while delivering a speech at the National Research Council (CNPq) to 14 science and technology secretaries who were participating in a forum coordinated by Sao Paulo entrepreneur Emerson Kapaz. Also present at the CNPq was Admiral Mario Cesar Flores, former strategic affairs secretary. Moved, Brig. de Oliveira charged that the Brazilian media are backing a "well-orchestrated campaign against Sivam."

De Oliveira said: "The media have adequately dealt with Sivam to the point where they have destroyed its image — and they did so competently." He then repeated the usual explanations he has given for nearly 12 months to counter each of the irregularities raised against the project — 18 by the National Accounting Office alone.

De Oliveira succeeded in obtaining the SBPC president's support when he announced that, to preserve national interests, he did not agree to hire the U.S. E-System company to manage the project. Recently, E-System was bought by Raytheon, the winner of the Sivam contract. He said: "The coordination task will be in the hands of Brazilians."

In case his arguments were not convincing enough, De Oliveira wept — discreetly, but visibly enough to elicit reactions from the audience. He also made a surprising disclosure: As part of an effort to counter the anti-Sivam campaign, one U.S. fast-food chain has been using paper table mats that bear messages that are offensive to Brazilians. They describe Brazilians as "barbarians who burn the rain forests."

Brazil Article Views Sivam Project, 'Irregularities'

PY0902194696 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Feb 96 Section 1 p 12

[Article by Lucas Figueiredo]

[FBIS Translated Excerpt] The government will achieve a majority of votes and get the Sivam [Amazon Region Surveillance System] project approved in both the Special Senate Committee that is investigating the project and in the Chamber of Deputies plenary.

The PMDB [Brazilian Democratic Movement Party] bloc in the Senate decided during a meeting yesterday to support the report by Senator Ramez Tebet (PMDB-MS) [Mato Grosso do Sul] in favor of the Sivam project and to authorize the government to continue with it.

Adding up the votes among the PPB [Brazilian Progressive Party], the PFL [Liberal Front Party], and the PSDB [Brazilian Social Democracy Party], the government believes in its victory to approve the project. [passage omitted]

The last hope of congressmen who oppose the Sivam project is an amendment by Senator Osmar Dias (PSDB-PR) [Parana] to stop it.

The amendment states that public bids must be called to carry out the project and consequently, the contract with Raytheon must be canceled.

Senator Osmar Dias, who is considered an independent PSDB member by Planalto Palace, has obtained 30 signatures in support of his amendment which requires 41 votes for approval.

The amendment will be presented to the Senate which will next month decide whether to authorize or not the government to accept the $1.4 billion foreign loan to finance the project.

SIVAM Irregularities

1. The Aeronautics Ministry and ESCA [Automation and Control Systems Engineering] illegally maintained a checking account to purchase equipment without going through a bidding process.

2. The Aeronautics Ministry paid the expenses of ESCA directors and their families when travelling abroad (airfares, hotel, etc.)

3. The Aeronautics Ministry paid 1.7 million reals to ESCA for the intellectual property rights of equipment and software that already belonged to the government.

4. The Aeronautics Ministry paid for services which were of ESCA's sole interest as they involved capital market surveys and legal consultations.

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5. ESCA and the Aeronautics Ministry canceled their contract on friendly terms even though ESCA "failed to meet contract terms and went bankrupt." This could amount to $6 million.

6. ESCA advised Raytheon before it was chosen for the Sivam project.

What the National Accounting Office Wants

1. To audit the Aeronautics Ministry accounts.

1. [number as published] To investigate Brigadiers Marco Antonio Oliveira, coordinator of the Sivam Coordinating Commission, and Jose Salazar Primo.

Brazilian Social Security Talks Fail; Cardoso To Mediate

PY0902144296 Rio de Janeiro Rede Globo Television in Portuguese 0900 GMT 9 Feb 96

[From the "Good Morning, Brazil" newscast; all names identified by screen captions]

[FBIS Translated Text] President Fernando Henrique Cardoso has stepped in to mediate in the social security negotiations and save the agreement reached between the government and the labor unions. The special congressional committee that was debating changes to the retirement system has been dissolved. This means that the debate on the social security reform has passed to the Chamber of Deputies plenary. Therefore, the essential part of this, which is the voting session on the bill, will only take place after the Carnival holiday [after 26 February].

Yesterday, the social security reform was ultimately returned to Planalto Palace, from where it came. President Fernando Henrique Cardoso yesterday received the union leaders in palace, given that the negotiations with the special congressional committee failed. Now, everything has passed to the Chamber of Deputies plenary. The president has become the new mediator of the reform. The union leaders, who are disappointed with Congress, like this solution. But will the president really be able to maintain the agreement until the bill is voted on in the lower house?

[Begin Sole Workers Center, CUT, president, or Vicentinho, recording] He not only maintains but reinforces the pending issues. This is why government experts are meeting with our own experts to iron out every disagreement. [end recording]

Whoever observes this from outside might think that the negotiations went on wonderfully yesterday. On the contrary, everything happened, including harsh arguments among union leaders:

[Begin Union Power President Luiz Antonio de Medeiros recording] If the CUT wants to maintain privileged retirement pensions in the system, it should say so publicly. It should say that it wants to maintain the privileges of a certain group of public officials who already earn on active duty millions at our expense. [end recording]

[Begin Vicentinho recording] Every once in a while Medeiros comes here — he never participates in the meetings — and hinders the negotiations. Under the banner of eliminating privileges, he is admitting the worst of the privileges, which is the deputies' retirement system. We cannot agree with this. [end recording]

Deputy Jair Soares, special congressional committee president, even resigned:

[Begin Soares recording, amid shouts] I resign from the presidency of this committee and from the position of deputy leader of the Liberal Front Party, and I hereby become independent in this house. [end recording]

The idea is that the new social security reform bill will be read in the house plenary on 13 February. However, this depends on the quorum in the house.

Having lost so much time with this subject, the rest of the constitutional reforms will also be delayed, which is something the administration really does not like. The opposition, however, also did not like the fact that the bill will directly pass to the plenary of the Chamber of Deputies. The leftist parties did not want the bill to be voted on at all. Now, the bill will be voted on anyway. The government has a broad majority in the Chamber of Deputies, and the Chamber of Deputies president [who is a government ally] has the command there.

However, it will take a long time until the debate resumes because the Carnival season has already begun.

Brazilian Economic Consultant Views Social Security

PY0902153996 Rio de Janeiro Rede Globo Television in Portuguese 0900 GMT 9 Feb 96

[Interview with Francisco Oliveira, IPEA consultant and social security expert, in Rio de Janeiro, by Delis Ortiz, in Brasilia, for the "Good Morning, Brazil" newscast — live]

[FBIS Translated Text] [Ortiz] The deficit of the social security system increases by 300 million reals [R] per month. This means that by the year 2001 the deficit will amount to R50 billion. There is only one solution to this problem: Increase the contributions and reduce the benefits, the so-called insignificance [mixaria]. What is worse, the social security reform, which is causing

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a big upheaval, will practically have no effect on the social security system resources. This is maintained by Francisco Oliveira, Applied Economic Research Institute, IPEA, consultant and social security expert, who is in our Rio de Janeiro studio. Good morning.

[Oliveira] Good morning.

[Ortiz] Does this mean, in your opinion, that the social security reform currently being debated in Congress will only have a moral effect?

[Oliveira] I would like to divide the problem into two. We have the social security system for the majority of the people which is the INSS [National Social Security Institute]. The effect of the reform on the INSS will be literally nill. It will not improve the resources of the INSS at all. According to our projections, the deficit will increase in the next few years. For 1996 we estimate a deficit — not gigantic — of probably R2 or R3 billion.

[Ortiz] Won't the reform at least change the public sector retirement system?

[Oliveira] The reforms that are being suggested for the public sector are of moral character. Unfortunately, what is morally appropriate is not the best or relevant from the economic point of view. Just look, some of the serious distortions of the public sector retirement system are being eliminated: For example, pensions for officials who retire a few days after having begun working, or officials who retire at the age of 45 or 50. These cases will really be changed with the reform.

[Ortiz] As a consequence of the social security reform debate in Congress, many public employees are rushing to retire right now to guarantee their proportional rights, doubling the normal rate of retirements in the system. This is causing an additional drainage of resources from the social security system.

[Oliveira] That is absolutely true. I would say that given the upheaval the social security reform debate is causing, many public employees asked for early retirement. Many government agencies are literally being depleted of employees as a consequence of this phenomenon of a rush to retire.

[Ortiz] Brazil is one of the first countries in Latin America to reform the social security system. What deep reform must Brazil implement to resolve the fund-raising problem?

[Oliveira] What is at stake here is not only the social security problem but a new national development model. I would like to stress this point because it even has something to do with the item you reported on earlier on taxation of foreign capital.

Brazil currently finances a large portion of its development by borrowing money abroad at very high interest rates. Let me make a poor comparison: We are like a company that has a rope around its neck and borrows money at very high interest rates. We will survive for some time but the interest will ultimately swallow the profits. How, then, can a country develop? It develops when it generates domestic savings. These domestic savings turn into investments, which in turn translates into economic growth, jobs, salaries, etc.

The domestic savings rate in Brazil is very low. The only solution other countries have found to increase their savings level on a long term basis is precisely through the social security system. Therefore, we need a deep reform of the social security system, one which cannot be radical but which should essentially encourage savings.

[Ortiz] Thank you for the interview. Good morning.

Editorial Views Brazilian Bank's Cut in Interest Rates

PY0802154196 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Feb 96 p A3

[Editorial from the "Notes and Information" page: "A Change That Is No Reason for Concern"]

[FBIS Translated Text] On 1 February, to the surprise of the market, the Central Bank [BC] cut interest rates nationwide. The BC president said the 0.27-percent drop does not modify the government monetary policy or distort the Real Plan.

The measure was adopted at a particularly adequate moment. At the beginning of each month, the BC indicates the rate it plans to establish for the monetary market. Three elements were considered in February's case: First, the interest rate cuts in industrialized countries, which Brazil must follow if it is to prevent the differences between domestic and foreign rates becoming excessive. Second, when the BC modified the exchange band, it obtained a larger margin with which to intervene on the market, particularly as the BC warned that the $1 to 1 real parity was not definitive. Third, the amount of foreign resources entering the Brazilian market surpassed, by far, the estimates. Perhaps this is the result of the good performance of the Brazilian economy and the development of our stock markets, which grew much more than the other countries' stock markets. By cutting the interest rate more than the market expected, the BC sought to avoid artificial stimuli that may have ended up attracting more foreign investment. The combination of a new exchange band and reduced interest rates are an attempt to discourage excessive foreign resources, without adopting other measures which

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frequently alienate foreign investors. The decision to reduce interest rates just when there is excessive liquidity following abnormal growth in the monetary base and in the means of payment — which seem not to have been entirely reabsorbed — may seem strange, but the authorities realize that although the level of demand remains high, it does not mean there will be a consumption explosion which could favor price increases. Inflation in January was small and remained within the estimated margins, and everything seems to indicate that inflation will return to its normal level in February. Currently, the main concern — not just in Brazil — is to reduce unemployment by stimulating economic growth. For this, reducing interest rates can only be advantageous. It reduces the "Brazil Cost" because it increases the possibility of exporting. The government had two objectives in mind when it made this decision: to discourage excessive foreign investments, and to stimulate production. We cannot forget, however, that — as Central Bank Director Francisco Lopes recently pointed out — the executive branch has made no commitment on interest rates.

Brazil Bank Issues Steps To Stem Foreign Capital Inflow

PY0902182596 Sao Paulo AGENCIA ESTADO in Portuguese 2345 GMT 8 Feb 96

[Report by Soraya de Alencar and Lu Aiko]

[FBIS Translated Text] Brasilia, 8 Feb (AE) — In light of the soaring inflow of foreign capital early this year, the administration has decided to adopt restrictive measures. Effective tomorrow (9 February), the privatization funds — which have thus far been privileged havens for foreign capital due to their being tax exempt — will be subject to a 5-percent IOF [Tax on Financial Operations] tax. In January alone, these funds received more than $500 million compared to a total of $504 million for all of 1995. Gustavo Franco, Central Bank [BC] director for international affairs, said: "This was an alternative available to foreign investors to avoid paying taxes." In a special meeting held today, the National Monetary Council (CMN) approved the restrictive measures.

The CMN has imposed restrictions on loans taken by Brazilian companies abroad. The minimum term for these loans has been extended from two to three years, while foreign investors have been prohibited from buying — under stock market rules, which are less bureaucratic — shares of companies that are being privatized. According to Franco, foreign investors may continue to participate in privatization processes by purchasing foreign debt papers. He added: "These operations have the advantage of not causing any impact on either the exchange or monetary systems." He was thus referring to the fact that they would not fuel inflation.

The CMN seeks to discourage loans contracted abroad under Resolution 63 from being brought into Brazil by reducing the profit margins of those institutions taking these funds. This measure directly affects long-term loans granted for financing car purchases. Under the previous rules, the money the banks did not use here could be invested in government bonds subject to exchange correction, the National Treasury D-Notes, until the loan has been repaid. This operation, which guarantees earnings based on the exchange variation, has now been prohibited. One bank still has, however, the option of lending the money obtained under Resolution 63 to another bank.

The government has set up two ways of allowing the inflow of capital for investment purposes: Through a real estate fund, which already exists; and through the creation of a fund for emerging companies. In these two cases, during the six months prior to the creation of the fund, foreign capital may be brought into Brazil and invested in the financial market without paying taxes.

If the fund has not been created or the investor has decided to leave the country before that happens, he will have to pay a 10- percent IOF on his investment. Up until a year after the creation of the fund, an investor who decides to leave the country will have to pay a 5-percent IOF on his investment. This means that his investment will be exempted only if it stays in the country for a minimum period of 18 months.

According to Franco, the measures adopted today do not entail closing the Brazilian market to foreign capital. He said: "It is just a measure to bring discipline into the system and to reset our course." The BC expects the dollar inflow to start declining in February, "although not by a large amount." He said direct investments totaled $500 million in January and could amount to as much as $5 billion in 1996. Stock exchanges received a net amount of $683 million in January.

Chile

Chilean Minister Comments on 'Unrest' Over NAFTA

PY0902220896 Santiago EL MERCURIO in Spanish 9 Feb 96 p C3

[FBIS Translated Text] Revealing the government's unrest because the U.S. Government failed to obtain the approval of a "fast track" [preceding two words in English] last year to negotiate Chile's entry to NAFTA, Foreign Minister Jose Miguel Insulza yesterday stated

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emphatically that he will not broach the issue again until the U.S. executive branch has obtained approval for that mechanism.

Insulza thus referred to comments by U.S. Trade Representative Mickey Kantor revealing optimism over obtaining U.S. congressional approval for this mechanism, adding that "Chile's entry to NAFTA is a high priority."

This statement was also interpreted by the Chilean Embassy in Washington which issued a communique stating that Kantor's comments reaffirm an overall policy that reasserts the U.S. Government's intentions — which it voiced during the Miami Summit in 1994 — that are also shared by our country.

The communique states: "Under current objective U.S. political conditions, however, it is unlikely that these intentions may materialize."

Minister Insulza said in Santiago that he will not comment on this again until the U.S. administration obtains approval to use the "fast track" mechanism.

He noted that this type of comment, no matter how optimistic, are unfavorable because they only create expectations that are then thwarted.

The cautious attitude of the government is understandable following the criticism against it during 1995 which was focused on its international policy and on its failure to progress in various trade negotiations, among them the attempt to join NAFTA.

Although Finance Minister Eduardo Aninat is in charge of these negotiations, Minister Insulza paid the political price of the delay experienced by these negotiations. Criticism was also harsh against Chilean Ambassador to Washington John Biehl who, in a direct assessment disregarding the complex political situation that started taking shape in mid-1995 in the United States, was held responsible for not obtaining approval for the "fast track" due to his reticence to hire "lobbying" services.

The "fast track" is a system created in the United States by which Congress gives the executive branch the power to negotiate international economic agreements. This expedites the approval of the agreements by Congress because legislators do not need to vote the new agreement as a package, thus losing their power to make any amendments.

It is important for Chile that the U.S. obtain the "fast track" because, if not, it will mean having to carry out two different negotiations: one, with experts of the USTR, and another with legislators when it is submitted to them for consideration.

With the acid criticism still fresh in the mind, the government is now trying to avoid creating create expectations regarding the NAFTA negotiations, and any other negotiations.

Chilean Army Markets Computerized War Games Abroad

PY0902203496 Santiago EL MERCURIO in Spanish 7 Feb 96 p C2

[FBIS Translated Text] Reduced costs and a significant improvement in the training of Army commanders and officers are some of the advantages of the Computerized Tactical Exercise System [Sistema de Entrenamiento Tactico Computacional] (Setac) — which was designed in Chile — that the Army Ordnance (Famae) is marketing abroad.

Colonel Rene Riveros, head of this project, told EL MERCURIO: "This type of exercise system is only used in five other countries in the world, but the Chilean system is the most advanced of its kind, even compared with the one used by the U.S. and Western European Armed Forces."

Currently Colombia, Venezuela, Paraguay, and, shortly, Mexico, use this system that is adapted to personal computers — currently available in its 3.0 version — to train their men for action with a great degree of realism.

Col Riveros, head of the Famae System's Division, commented: "Others are interested in the system, which is good, and I am sure we are going to sell more of it in the future."

The Setac design began in 1986 as an attempt to reduce the costs of training Army troops for action, taking advantage of available assets and the significant progress in the informatics field.

What the Army wondered was how to train a commander who had never been in a real war situation, to react appropriately in an armed conflict.

The conventional answer to this was huge combat exercises or maneuvers which, in any country in the world, entail a great deployment of troops with obvious material and economic costs.

Moreover, military exercises throughout the world are becoming more complicated due to the growing lack of space to carry them out; the enormous cost involved in deploying troops; and the damage these maneuvers cause to private property and the environment.

For Armed Forces with little resources — like the Chilean Armed Forces — being able to hold these maneuvers not only entails spending a lot of resources but also the threat of accidentally losing a combat system, vehicle, or aircraft which are very hard to replace due to the tight defense budget.

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Considering these aspects, the Army began to study a computerized exercise system for carrying out war games directly on a computer screen through digital terrain using specially designed software.

After about 18 months to design the program, the Setac was first used at the Army War Academy, where currently more than 1,000 officers are trained in "war games." These, very realistic war games, last an average of five days and five nights. Currently between 70 and 140 men can participate in them simultaneously.

This military training system operates on 13 computers with high resolution screens and a disk storage capacity of 10 gigabytes, which allows the operation of more than 1,000 military units on 6,000 square km of "digital" terrain with a 30-meter horizontal resolution [resolucion horizontal de 30 metros].

The game begins by selecting the simulated combat strategy, the terrain where the action (real or unreal) will take place, and by defining the parties in dispute.

After that it must be decided what materiels each will use, the type of troop deployments, the time of operation, and the climate. These are all based on realistic situations, which makes the Setac very versatile and adaptable to any imaginable physical situation.

Chilean Businessmen Visit Moscow, Negotiate Exports

PY0902184696 Santiago EL MERCURIO in Spanish 8 Feb 96 p B1

[Report by special envoy to Moscow Ricardo Leiva]

[FBIS Translated Excerpt] Economy Under Secretary Angel Maulen has said that exports to Russia may double as a result of deals currently being negotiated in Moscow by a delegation of 28 Chilean businessmen which he is heading.

Last year Chilean exports to the Russian market amounted to $133 million. Maulen said: "This year we estimate they will surpass $200 million."

Jean-Jacques Duhart, Pro-Chile [Institute for Export Promotion] director, who together with Maulen heads the largest Chilean commercial mission to that country, said the economic opening in Russia "is irreversible." Duhart appealed to Chilean businessmen to investigate the possibility of exporting to this gigantic market, comprising 160 million people, which represents great opportunities.

Duhart said: "Russia cannot close its economy again as some fear; it is neither feasible nor sustainable. It already depends on foreign financing." The Pro-Chile director said there are two basic sectors in which Chilean businessmen can be competitive and enter that great market: Foodstuffs and furniture. He highlighted the participation of 28 businessmen in the international foodstuff fair in Moscow — Prodexpo — which closes on 9 February.

Duhart said: "Foodstuffs accounted for more than 90 percent of the $130 million exported to that country during 1995." He said that last year shipments to neighboring countries and regular buyers — including exports to Canada worth $95 million — were insignificant compared with those to the former Soviet market. Sales to Russia last year increased by no less than 140 percent, and during the previous year by 145 percent. Thus, in two consecutive years sales to that country more than doubled. To confirm this, one merely needs to recall that exports to Russia during 1993 did not surpass $22 million. [passage omitted]

Colombia

Colombia's ELN Guerrillas Attack Venezuelan Naval Base

PA1102021996 Santa Fe de Bogota EL TIEMPO in Spanish 10 Feb 96

[Report by correspondent Maria Victoria Cristancho — received via Internet]

[FBIS Translated Excerpt] Caracas — The Venezuelan Army has reported that on Thursday night, an alleged Colombian guerrilla group attacked the Venezuelan naval post of Cararabo in Apure State, along the border with the department of Arauca, with no reports of casualties. That same military post was the target of a 26 February 1995 guerrilla incursion by the ELN's [Army of National Liberation] Domingo Lain Saenz Front. As a result, eight Venezuelan marines were massacred.

According to the official report, the Colombian rebels began their attack at 2330 on Thursday and was repelled by Venezuelan Army troops guarding the unit.

The rebels supposedly used light weapons (with tracer bullets) and attacked with several bursts of machine-gun fire for 15 minutes before the military troops stationed at the post fired back.

According to preliminary reports, an undetermined number of guerrillas participated in the attack, which came a day after Colombian Foreign Minister Rodrigo Pardo and Venezuelan Foreign Minister Miguel Angel Burelli Rivas closed the book on a diplomatic conflict caused by some border incidents between Venezuelan military troops and Colombian citizens.

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On Wednesday, the foreign ministers agreed in Port-au-Prince (Haiti) to inspect the border zones where the incidents took place. The inspections should take place on 21 and 22 February.

The Army's first official report on the latest attack on Cararabo indicated that "the military troops at the naval post, commanded by Navy Lieutenant Jose Ernesto Acuna Moreno, remain under constant alert and surveillance, in fulfillment of their mission to preserve national sovereignty." Since the attack, security has been tightened to protect the lives of the troops at Cararabo, as well as the installations, Acuna stated. [passage omitted]

Colombia's ELN Rebels Deny Plan To Assassinate Officials

PA1002034296 Mexico City NOTIMEX in Spanish 0143 GMT 10 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 9 Feb (NOTIMEX) — The Colombian guerrilla group, Army of National Liberation (ELN), denied today that it is planning to assassinate two high-ranking government and justice officials.

A clandestine communique issued by the organization rejected the contents of a document delivered to various news media a few days ago, which gave details of an alleged "mass trial" against its victims, who were reportedly "sentenced to death."

Those who were allegedly sentenced to death were Deputy Prosecutor General Adolfo Salamanca and Interior Minister Horacio Serpa. The former was the target of an unsuccessful attack on Monday, 5 February, when unidentified individuals planted a bomb that was supposed to explode in his path.

The explosive device, however, was detected and defused by the police, who doubled the security measures around the official, one of the masterminds of the judicial proceedings over the infiltration of drug-trafficking money into political campaigns.

As for Serpa, there are several threats against him because of his radical position in favor of President Ernesto Samper and against certain political, economic, and social sectors in the country, who demand the president's resignation because they accuse him of being the person responsible for the worst act of corruption ever experienced in the country.

According to the accusations, Samper and his collaborators received huge sums of money from the drug-trafficking mafias to finance the political campaign that brought him to power in 1994.

The rebel communique states that "the country can be sure that no rural or urban ELN front or any member of the ELN operational forces is targeting Mssrs. Salamanca and Serpa Uribe."

The ELN is one of the most active rebel groups in the country. It belongs to the Simon Bolivar Guerrilla Coordinating Board and its main targets are the country's economic infrastructure, with attacks on oil pipelines, utility towers, and government installations.

Colombian Prosecutor Readies Charges Against Samper

PA1102184996 Madrid EFE in Spanish 1524 GMT 11 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 11 Feb (EFE) — Colombian Prosecutor General Alfonso Valdivieso already has the charges against President Ernesto Samper that he will present to the Congress next Tuesday. Those charges will open the trial against the president, who is accused of financing his electoral campaign with money coming from drug trafficking activities.

According to the local media, Valdivieso and top ranking officials of the Prosecutor General's Office have been holding intensive work meetings since 3 February, to determine the terms of the accusation, which has been summarized in a document of approximately 20 pages, backed by 300,000 pages of evidence and testimonies.

The prosecutor general himself has announced that he, under oath, will present the charges against Samper to the Accusations Committee of the Chamber of Representatives next Tuesday. This body is the first constitutional step in the parliamentary trial against the chief of state.

"It is best for the country that the prosecutor, as corresponds to his high ranking position, not take sides," Samper has already warned in statements to reporters.

The president continues to repeat that he is innocent, although he does concede that there are indications that many millions from the Cali Cartel's drug trafficking activities entered his campaign, but without his knowledge.

Samper has labeled as liars and slanderers those who were his closest aides in financing the campaign and who are now his main accusers, namely, former Defense Minister Fernando Botero and campaign Treasurer Santiago Medina, who have been under arrest since mid-1995.

For his accusers, it is not enough to prove that Samper was elected with millions of drug trafficking dollars

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but that he "was indeed aware" that Cali cartel money infiltrated into the campaign and was used to finance it, as Botero, Medina, and other witnesses have claimed.

Colombian media agreed that there is no "key evidence" to demonstrate that Samper personally requested or received money from the Cali "capos" — such as a document bearing his signature or a recording — and thus, the strength of the prosecutor general's accusation will depend on his presentation and assessment of the 300,000-page file.

According to the most recent polls, Valdivieso is the Colombian with the most positive image. They show that seven of 10 citizens trust him.

The opposite is true of the president's constitutional judge, that is, the Congress, because many of its members are under investigation, as is Samper, for alleged links to the Cali cartel (three senators are already in prison for this reason).

After the prosecutor submits his complaint [denuncia], the Accusations Committee of the Chamber of Representatives will appoint an investigator who will decide whether or not there are grounds to begin formal proceedings against Samper.

If this investigator finds that there is at least one serious indication that the president masterminded or participated in the alleged activity [hecho denunciado], he will summon him for questioning, and later the Committee will have two months to decide to shelve the case, because it did not find sufficient merit, or to forward it to the plenary of the Chamber of Representatives.

The Accusations Committee had already started an investigation at Samper's request in mid-1995, when the so-called "narcoscandal" broke out, but in December it shelved the case because its members, most of whom belong to the Samper's Liberal Party, did not find grounds to try him.

If in the future the plenary of the Chamber approves an accusatory resolution against the president, it will act as the prosecutor and will submit the case to the Senate, which will act as judge. Were the Senate to accept the accusation, Samper would be automatically suspended.

The high chamber will rule directly on the charges of a political nature, such as "unworthiness" to serve as president. The senators will only decide whether or not there are grounds to forward the case to the Supreme Court on the matter of the charges for common offenses.

Arrested Colombian Senator Resigns Lawmaker Status

PA1002042796 Mexico City NOTIMEX in Spanish 0315 GMT 10 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 9 Feb (NOTIMEX) — Senator Maria Izquierdo, who is under arrest and is an important witness in the legal proceedings against President Ernesto Samper, today resigned her lawmaker's status, according to a report by the local television newscast CMI.

Izquierdo, who has been held for two weeks at a Santa Fe de Bogota police station, said that now that she is no longer a senator, she is completely free to testify against Samper, who has been accused of ties with drug traffickers.

She said that she received money from the Cali cartel for financing Samper's electoral expenses during his 1994 presidential campaign in the Andean department of Boyaca, his political bastion.

An investigation against Samper was started by a special Congressional commission after his closest associates, former minister Fernando Botero and former treasurer Santiago Medina, accused him of permitting and paving the way for the illegal financing of his campaign.

After she resigned her parliamentarian's position, Izquierdo automatically ceased to be investigated by the Supreme Court of Justice, a task now taken over by the Prosecutor General's Office.

Observers have said that, with her move, Izquierdo seeks to obtain some judicial benefits from the Prosecutor General's Office, such as a special place of detention and a reduced sentence — benefits that the Supreme Court of Justice had refused her.

In addition, the same television newscast aired remarks by House of Representatives delegate Rodrigo Garavito, who is also under arrest on charges related to the infiltration of mafia money in politics.

Garavito said he is innocent and that he was framed by Prosecutor General Alfonso Valdivieso. Garavito accused Valdivieso of using his position to campaign for the presidency in the 1998 elections.

A third congressman, Senator Alberto Santofimio Botero, has also been detained. In addition, 12 others are waiting for the Supreme Court of Justice to define their situation after they became involved in the same scandal.

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Colombian Bishop: Documents Show Samper's Innocence

PA0902135596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 9 Feb 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] Santa Fe de Bogota — Monsignor Pedro Rubiano, president of the Colombian Bishops Conference and archbishop of Santa Fe de Bogota, has affirmed to the press that he has documents containing secrets [secretos] about the innocence of President Ernesto Samper concerning the drug money and that this document is sealed and will not be opened until the person who has delivered it so orders. He has said that the envelop is sealed and that he does not know what it contains, and, therefore, he will only open it with the individual who has sent it and entrusted him.

Colombian Comptroller Resigns Over Corruption Issue

PA0902231796 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 9 Feb 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema de Retransmision Television at 1830 GMT 9 Feb 96]

[FBIS Translated Text] Deputy Comptroller General Miguel Gomez has said he is resigning, because the government is using the assignment of government posts to secure political support in times of crisis:

[Begin Gomez recording] It is buying support with posts. Colombians see this everyday in the deluge of resignations and the deluge of new appointments. [end recording]

Gomez directly accused President Samper and Interior Minister Serpa for backing the appointment of unqualified persons who have political leverage.

[Begin Gomez recording] This is directly coordinated by the president of the Republic and has the seal of approval of the interior minister who must approve the resumes and [words indistinct]. [end recording]

The official pointed out that the worst cases have been registered in Idema [Agricultural-Livestock Marketing Institute], Finagro [expansion unknown], National Roads Institute, and the Transportation Ministry. The deputy comptroller general also defended his year and a half at the institution, which is headed by David Turbay, who is currently being investigated with regard to Case 8000.

[Begin Gomez recording] I can fight against corruption in there. I feel that I am useful, but it is frustrating. [end recording]

Colombia's Samper on Paper Given to Monsignor Rubiano

PA1002040696 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 10 Feb 96

[From the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT 10 Feb]

[FBIS Translated Text] In Girardot tonight, President Ernesto Samper confirmed to us that what he gave Monsignor Rubiano is a sort of testament.

[Begin recording] [Samper] At the end of last year, I wrote some very personal remarks on the country's situation and outlook, as well as participants in this situation. Thinking to put these remarks in good hands, I sent the paper to Msgr. Rubiano. It is just a very personal document, which I wanted to leave in a safe place.

[Unidentified reporter] Mr. President, what prompted you to write this note?

[Samper] Maybe a tip from above.

[Reporter] Do you fear for your life?

[Samper] I am not afraid. Nevertheless, each one of us is threatened. I am concerned about narcoterrorism again prevailing in the country. I do not know if the Colombian people have forgotten that terrible time. In fact, I am marked by that time of terrorism and the attack. I grieve over all facts and events that could be related to terrorism.

[Reporter] Are the threats on your life serious, Mr. President?

[Samper] Yes, but they are under control. [end recording]

Colombia's Samper Views Envoys' Resignation Letters

PA1002034796 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 10 Feb 96

[From the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT 10 Feb]

[FBIS Translated Text] President Ernesto Samper on 9 February responded to the letters of resignation sent by the ambassadors who requested to be separated from their posts due to reasons of conscience in light of the current political crisis.

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In personal letters, Samper told the resigning ambassadors that he disagrees with the reasons they gave for resigning from their diplomatic posts. He said that it would have been better for him if, prior to sending their letters of resignation to him, they would had given him the opportunity to explain each one of the accusations lodged against him and his aides for receiving drug-trafficking money during his campaign.

Colombia's Samper on Campaign Financing, Certification

PA1102200596 Santa Fe de Bogota EL TIEMPO in Spanish 11 Feb 96

[Unattributed article: "The Prosecutor General Should Not Take Sides" — received via Internet]

[FBIS Translated Text] The president has reaffirmed that he reached no pact with any cartel and that he was never aware of drug money in his campaign.

By request of EL TIEMPO, Narino Palace sent back the following questionnaire answered by President Ernesto Samper:

[EL TIEMPO] Mr. President, what is your assessment of the crisis unleashed in the past days with regard to the financing of your political campaign?

[Samper] I think that despite the skeptics and those who are betting on the country's failure, once again we demonstrated that a majority of Colombians are prudent people who in the face of an abyss they stop, ponder, and find institutional solutions. All this time, in a nearly obsessive manner, I have insisted on using the channels established by the Constitution. We are already at the end of this chapter, and I hope that we will leave it without having sacrificed the state of law.

[EL TIEMPO] But are the problems involving the Prosecutor General's Office not delicate in view of the current situation? There is talk of confrontations between the government and the Prosecutor General's Office...

[Samper] Absolutely not. In this case the prosecutor general has received the effective cooperation of the government and the president himself to promote its investigations. The people forget that it was the president who on repeated occasions requested an investigation into these developments, because I am convinced about the need to find the truth given that I will be the main beneficiary. The goal is to find a judicial truth and not a political truth, which is what some want.

[EL TIEMPO] Let us talk about your campaign. Thus far in the case, do you not think that the flow of drug trafficking money into your campaign has been confirmed?

[Samper] I admit that there are signs in that direction, but the search for the truth cannot stop there, because it has been based on the convenient acquiescence of witnesses who are not very credible. The fact that Mr. Pallomari drew funds alone is insufficient, because it is not known if such funds entered campaign coffers or were in fact used in it. We must look for the truth at the root.

[EL TIEMPO] Are you insinuating that the money was diverted?

[Samper] I am saying that the Prosecutor General's Office is constitutionally and legally obliged not only to determine if the illegal money entered the campaign but also to define who were the people responsible for this entry, where did the money really go, when was the money sent, and how much money was consigned. Colombians can rest assured that Ernesto Samper has never reached agreements with any cartel and was never aware that money of doubtful origin entered his campaign.

[EL TIEMPO] It is said that the Prosecutor General's Office will present charges for concrete crimes, allegedly, committed by you, at the Congress of the Republic. What attitude will you assume?

[Samper] To begin with, I am surprised that even before anything is presented to Congress, there is already talk about what the Prosecutor General's Office will do. As president I am obligated to trust in the equilibrium of the prosecutor when he takes legal action in such a sensitive matter for the country. To put it succinctly: It is best for the country if the prosecutor, as corresponds to his high ranking position, does not take sides.

[EL TIEMPO] Are you saying that the prosecutor cannot present charges against you at the Chamber?

[Samper] I am saying that the prosecutor is obliged to send all the indicators and alleged evidence that could exist in his office against me. The Committee also has the constitutional obligation to assess what it receives in a totally open and transparent investigation as I hope will occur if the Congress accepts lifting the confidentiality of proceedings and making the process public as I have directly requested. Any other action could mean prejudice and disregard for the presumption of innocence to which every citizen, including the president of the Republic, has a right.

[EL TIEMPO] Pardon the insistence, Mr. President, what if the prosecutor at the end files a complaint against you?

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[Samper] That is why I say it is best not to get ahead of the events, as some want to, regarding what the prosecutor will do. I trust that he will act based on the law, without any kind of interference. It is good to explain now that a complaint is not the same as an accusation, and that the news media have the obligation to the country to explain with clarity the legal meaning of any action taken in this process, whether by the Prosecutor General's Office or the Congress.

[EL TIEMPO] One last topic that cannot be ignored, are you really losing sleep over the U.S. certification?

[Samper] When a person has a clear conscience nothing keeps him awake, much less this issue, when the spectacular successes we have achieved in the war on drug trafficking are there for all Colombians and the whole world to see, not just in terms of the arrest of the Cali cartel leaders, but also in terms of the eradication of over 30,000 hectares of illicit crops, strict legislation against money laundering, and seizure of precursor chemicals, etc..

[EL TIEMPO] There is talk in some circles of a decertification, and that would be serious for Colombia....

[Samper] Certification is an internal process in the United States, and Colombia has an overall policy against drug trafficking that is independent of it. Everybody is aware of the results of it, and on Monday I will announce them, together with my government goals for next year. It pains me, however, that there are Colombians who are betting against Colombia, thinking they will harm the government this way. Many forget that the United States has a serious and responsible government that makes decisions based on results and not on its linking or disliking of governments or individuals.

Colombia's Samper To Remain Despite 'False Accusations'

PA1102042796 Mexico City NOTIMEX in Spanish 2103 GMT 10 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 10 Feb (NOTIMEX) — Colombian President Ernesto Samper today said that he will continue to remain in power until August 1998 despite his detractors' "false accusations and lies."

"We will keep working for Colombia's needy people regardless of the difficulties we will have to face and the moral downpour that will rain on us," the president added.

During a tour of several communities in the central department of Cundinamarca, Samper stressed that he will not resign. Starting next week, he will face a congressional investigation for reports on alleged ties between drug traffickers and his election campaign.

Samper's campaign director, Fernando Botero, who remains interned at a Santa Fe de Bogota military garrison, accused the president of being aware of the fact that the Cali drug cartel financed the proselytizing activities that led him to power in 1994.

In front of a crowd cheering him, the Colombian president insisted he is innocent and warned that "neither false accusations nor lies will prevent me from continuing to tour the territory to voice support for the communities."

The South American president has asked Congress to prosecute him soon in order to definitely resolve the crisis. He has proposed to subject his permanence in the presidency to a popular consultation, which would be summoned once the parliamentarian trial ends.

According to the results of a poll made public today, most Colombians believe that Samper is guilty, but that he must remain in power until 1998, when his term expires.

The chief of state denied he has exerted pressure to make Prosecutor General Alfonso Valdivieso leave his post due to the investigations he is conducting on alleged ties between Samper's election campaign and the mafia, as the local media reported.

"That is completely false," Samper pointed out while recalling that he himself asked this overseeing body to start the investigations to clarify the events.

According to local media reports, Botero accused Samper and several of his ministers of having influenced the Council of State, which in late 1995 decided to leave Valdivieso in his post.

Colombia's Samper Denies Plan to 'Negotiate the News'

PA1102020796 Santa Fe de Bogota EL TIEMPO in Spanish 10 Feb 96

[Received via Internet]

[FBIS Translated Text] President Ernesto Samper has said that an absolute respect for freedom of information has been his main contribution to the exercise of professional journalism in Colombia. He added that not even during the most difficult times of the current political situation has he tried to "negotiate the news" or manipulate the information the media offer to the public.

Samper made these statements during a meeting he held at Narino Palace with a group of political reporters and

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directors of various media on occasion of Journalists' Day. He pointed out: "As a democrat, I have defended the constitutional right to report and receive truthful and unbiased information. Not even the most virulent critics will be able to accuse me of having moved a finger to restrict freedom of the press."

"I will continue this policy, because I am convinced of the significance of preserving the major asset we have treasured: the consolidation of free, yet responsible media that will let us forge a fairer, more solitary, and more tolerant society," Samper added. He also said that he regrets that the "famous case" (Case 8000) has become a smokescreen that does not let people focus on his government's achievements.

"People," he affirmed, "forget that we signed a new social pact, that we approved certain basic laws to defend human rights, that we prepared a budget, that we have kept working on designing our social plans." The president then pointed out that this is why he "amusedly" observes how certain people think that the spontaneous demonstrations supporting his government could be the result of some type of manipulation.

"In this country, everything poor people own is stolen. If a poor man participates in a demonstration, it is because he was forced; if a poor man gets a job, it is because somebody did him a favor; if he goes to the hospital, it is because he managed to sneak in," Samper assessed in response to those who have asserted that the government is buying political support.

He asked journalists to go to extremes to prevent the spread of news that are not fully corroborated, adding that "on our turf, breaking the news is more important than confirming it; it is like telling the time without looking at one's watch, as Garcia Marquez once accurately described."

Colombian Editorial: Samper Trying To 'Fool' Citizens

PA0902174696 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 8 Feb 96 p A3

[Editorial: "The Daddy"]

[FBIS Translated Text] Solzhenitsyn, the award winning Russian writer, has said one of the great tricks of Communism was to manipulate big lies to confuse people into accepting them as truths. Goebbels, the minister of Nazi propaganda, invented a tempestuous chain of falsehoods to support the image of the Hitler regime. Joseph Stalin, who was a cold dictator, was dubbed "the daddy." The secretary of the Communist Party became the lord and master of the Soviet Union, detached it from its closest friends and collaborators—remember Trotsky—and managed through the most refined sophisms to keep the dictatorial government amid the adulation of submissive figures and surrounded by a halo of scornful deceit. "The Daddy" was taken to parks where he greeted the crowd, approached children and caressed and gave them gifts, and visited old people's homes. He was venerated as a generous dispenser of favors. Hiding behind what Churchill called the Iron Curtain was one of the worst redoubts against human dignity, and prisons were filled with all those who dared disagree with its systems.

In this regard, President Samper also wants to be viewed as a "daddy" by visiting cities and villages to offer perquisites, resources, and bills of the national treasury in an attempt to cover up the illegitimacy of the electoral results that brought him to the Presidency. This is how he is trying to fool a part of the naive population and to force those who depend on official support into going to the streets to give credibility, with a fictitious and thoughtless presence, to the machination with which he has schemed the sole purpose of hiding irrefutable realities. This setup appears to have been copied from the old and collapsed European dictatorships of any philosophy. It would be impossible for the Colombian nation to fall through that repudiated precipice.

President Samper, during his speech before the two Chambers of Congress, could not refute a single one of the charges leveled against him. He thinks everything will be alright by claiming he is innocent, but nobody with a little bit of good judgment can believe him, because he says one thing one day and something else later. In the beginning, the campaign money was reportedly received behind his back. All his collaborators were honest then, but when they came out to say their truth and agreed the campaign was infiltrated, the head of state assured they are despicable slanderers who only wanted to save their own skin. Now the receipt of illegal money is no longer a slander but was received and later stolen, and they want us to believe all this took place without the candidate's knowledge? This is reaching the height of insolence or absolute administrative ineptness. In both situations the president would reportedly be rendered unfit to continue ruling.

Nixon fell during Watergate not because he spied on the Democratic headquarters but because he lied to the United States. Clinton's electoral strength is seriously impaired, because a probing commission has virtually proven that Mrs. Hillary Clinton has lied, and the U.S. President himself was summoned by an Arkansas court to testify whether his wife has lied. In Colombia's case, the goal is to place the entire executive branch at the service of a falsehood. This would destroy the country's institutional order. One can see to where the intrigue is

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leading. Mr. Serpa is Colombia's current intelligence chief. All security organizations are now under his supervision, leadership. In other words, a recent law has turned Serpa into the national Beria, into a clone of the Soviet chief of the Stalinist Police, the KGB, whose actions are well-known to the world.

Colombia's Noncertification Would Have 'Repercussions'

PA0902174596 Santa Fe de Bogota EL ESPECTADOR in Spanish 8 Feb 96 p A2

[Article by Gustavo Gaviria Gonzalez: "In Search of Certification"]

[FBIS Translated Text] Only those with a high degree of education know exactly the meaning as well as the political and economic repercussions of the so-called certification.

Bilateral accords between the United States and Colombia delineate reciprocal responsibilities and pledge both countries to a number of commitments. The accord is maintained when these commitments are fulfilled, but when the counterpart is displeased with the procedures and implementation of the accord, it can in turn lift the aid and discredit the country, something which would result not only in the detriment of foreign relations, but this penalty is regarded as an economic one.

It is advisable for the media to begin educating the people in that regard so they may have a clear idea as well as an understanding of the certification, along with its internal and external repercussions.

We are not capable of carrying out a detailed study, but we want to stress that a noncertification could result in difficult problems for the country's economic structure. A great number of products favored by preferential tariffs in the U.S. markets today would be hard to commercialize, because they would not compete with the products from countries that enjoy a certification.

Although various high-ranking officials would like to discredit the government of former President Gaviria, fortunately today the situation is being analyzed from the present point of view and not "through the times of national history."

Everybody is aware of the events of the past year: the arrest of high profile Cali cartel drug traffickers as well as the imprisonment of various congressmen and important personalities who are paying their dues for illegal enrichment and cooperating with the drug lords. We have in addition the escape of one of the main drug traffickers, the critical situation of President Ernesto Samper, who is accused of receiving large campaign contributions from drug traffickers and is being pressured by political, economic and labor sectors to step down.

The repercussions of a noncertification are so serious that we praise the National Union Council's attempts to make the U.S. Congress and President Clinton's administration aware of the fact that the country's private sector is not involved in drug trafficking and bears no responsibility for actions by corrupted politicians at the service of drug lords.

The union representatives have asked for Samper's resignation and hold on to their position but believe this service is a duty to the country.

Nobody will benefit from a noncertification, not even the United States, much less Colombia, which will be the party enduring the consequences of actions by various high level figures.

The probable appointment of Morris Harf, a personal friend of the Colombian ambassador in Washington, could prompt a positive reaction among his Colombian as well as U.S. colleagues to begin lobbying before U.S. congressmen and the government.

Noncertification would have deep repercussions in our country. We would go from an index of optimistic growth to a situation whereby we would suffer all the consequences of not having access to international credit, both in official banks as well as interstate and private banks, as well as the destabilization of existing markets. These countries could even place conditions on the entry of certain products, including coffee, flowers, fruits, and other agricultural products, not to mention textiles, if the situation between the countries becomes untenable.

Because certification is intimately linked to the struggle against drug trafficking, our country is experiencing much uncertainty, which is broadly divulged in the American media. In addition, there is the start of a new electoral period between Republicans and Democrats to succeed President Clinton. All this makes the country's certification more confusing and unsure.

It is hard to admit that political conditions are not very auspicious toward presenting a good image. Everything seems to point to the fact that the country is undergoing its biggest crisis ever, and the outcome is still not known.

The situation is no joke: If we are not doing well and we are certified, how will we get along without certification?

The country's good sense should be above the blunderings of its leaders.

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Colombian Article Decries Bid for U.S. Certification

PA1002043696 Santa Fe de Bogota EL ESPECTADOR in Spanish 9 Feb 96 p 2A

[Article by Ramiro de la Espriella: "The Beggars' Lobby" — words within slantlines published in English]

[FBIS Translated Text] The Colombian ambassador to the United States has just concluded a hurried visit to the country amid the crisis that is shaking us, in an effort to get the Colombian industrialists to bow to Washington, New York, or wherever, and wait to be received by the great metropolitan power and beg for the good conduct certificate with which it has been blackmailing us for so long.

It is argued that if that certification is not granted, Colombia will fall into a state of economic and moral disintegration that will not allow it to survive before the astonished eyes of the rest of the world.

According to reports, our defense minister (what does he defend?) has already presented a "detailed report" to General McCaffrey on what we are doing to eradicate drug trafficking. Our defense minister is presumed to be a distinguished legal expert, and he was also a member of the Constituent Assembly that abolished extradition. Our ambassador in Washington was also a member, although we do not know if they voted for or against extradition.

This is one more link that binds us indissolubly to the U.S. Government and comes in the wake of the presence of U.S. Ambassador Frechette at the swearing-in of the new DAS [Administrative Department of Security] director, just like an archbishop at the joyous consecration of a new parish priest.

And the history of submission continues to be filled with antecedents of excesses by the big metropolitan power.

It is not just Republican congressmen who are raising accusatory fingers from their seats, but also a likely presidential candidate from that party. It is like the inquisition itself; and the punishment is to be burned at the stake in public.

And to complete the picture, there is Ms. Reno, with the presumptuous antlers [play on Spanish word reno meaning reindeer] of a supreme moral priestess. A "/lawyer/" from a U.S. university, she turns by imperial magic into the interpreter of our written law. And she dares to voice the opinion that the extradition treaty with the United States, no less, is in force. It is as if she has a stick in her hand, the /big stick/.

It does not matter that our court has declared the law that approved extradition unconstitutional. It is worthwhile to explain that when an international treaty between two countries is concluded — at least in Colombia's case — our Congress has to ratify the treaty through a law. It is akin to a referendum submitted to the sovereignty of the people through their representatives in Congress. If the law is not approved or it it is declared unconstitutional, it is obvious that such treaty is left up in the air.

Knowledgeable that she is of Colombian law, Ms. Reno says that is not so. Deep down, this would be tantamount to saying that the United States could make use of the treaty at will and apply on us the Panamanian extradition system, transgressing our national sovereignty. If we must come to that, "Turn off the light, and let's go."

What is more, Ms. Reno maintains that if things are not that way, there will be no certification, and Colombia will definitely be left at the imponderable mercy of U.S. justice, and, of course, of Ms. Reno's justice, with no blindfold, holding the balance of justice in her hand; no more, no less.

Seeking to overcome these imminent dangers, our ambassador in Washington wants the Colombian business groups to travel to the seat of metropolitan power to participate in the /lobby/ of beggars he has patriotically suggested. The idea is none other than to place the economic interests of business groups above the enforcement and defense of our national sovereignty.

It is certification at any cost, because it is like baptismal water for our moral existence in the world.

The certification, should it be granted, might also be displayed as a presidential program and used as irrefutable proof to sustain the viability of a candidacy for the next constitutional term.

Paper money of legal tender. [as published]

Colombia: Samper Said Trying To 'Buy' Support

96SM0097A Santa Fe de Bogota EL TIEMPO in Spanish 8 Feb 96

[Commentary by Enrique Santos Calderon: "How Much Are the People Worth?" — received via Internet]

[FBIS Translated Text] One of the sad inferences (for me) from this entire crisis is that the left does not exist in the Colombia of 1996. It does not appear, is not discerned, and is not even suggested as a government option or power alternative.

I am talking about a democratic left (not the kind that grasps the rifle as an argument), which would be capable of retrieving the long history of struggle and dedication of so many Colombians on behalf of a better country, and of offering a serious solution, or at least a credible proposal, amid the deepseated ethical and political crisis

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afflicting the system that it has been questioning and fighting for nearly a century.

It is non-existent, and that is distressing. It is at least puzzling that, after so many deaths, so much sacrifice, and so much idealism, what is conspicuous here and now are bureaucratic aberrations, ideological fallacies, or scheming political opportunism.

It is disgusting to see how respected leftist intellectuals can assert that the source of the present crisis lies in an imperialist-oligarchical plot, or that the referendum suggested by the government would be the beginning of a "revolutionary breakdown." Or that the Conservatives' departure from the cabinet opens the possibility of executing a genuine agrarian reform. Or that Samper's continuation in power would facilitate the implementation of a purer and more democratic system.

All these arguments, which I hear and read from well-known figures of the pre- and post-Marxist left, do not cease to astound me, because I do not understand what ideological juggling could allow one to conclude that President Samper represents the possibility of a government favorable to the nation's or the people's interests. Nor can I comprehend how a left that talks so much about the "civil society" could fail to realize that it is precisely from there that the most visible symptoms of discontent and rejection are coming.

Unless it is thought that the civil society, or the community, or public opinion, or the people (whatever it may be called) is represented in the demonstrations and rallies that the government is organizing in its favor: with admirable dedication, we must admit. Because no one can deny the capacity for mobilizing its followers that is being demonstrated by the state apparatus, under the wise direction of Minister Serpa, with the active trade union cooperation of Minister Obregon.

Nor should we be surprised that the government is defending itself and counterattacking. The fact that it is concocting demonstrations, putting public employees out on the streets, distributing checks right and left, and, generally, buying political support at any price, is part of a fundamental strategy for survival. And the fact is that, if it had not shown signs of life at least in the area of the bureaucracy and government personnel, it would already have died of fundamental natural causes.

The question is how long and to what extent it intends to wage that battle, and at what cost to the country in general, but also to the person of the president in particular. It does not lack weapons for this battle. The 600 billion from the famous social solidarity network is just one example of the resources that the government can use to generate support and to mobilize backers.

So, we should be prepared for a period of intense forays through the country by the president and his ministers. Last week, he was already on the Atlantic Coast, personally delivering checks and funds. I am told that next week he will go to Tulua, to inaugurate the electrical plant, provided that Mayor Alvarez Gardeazabal can organize a demonstration "by at least 3,000 persons" for him.

Congressman Manuel Ramiro Velasquez has charged that ministries and administrative departments are issuing over 26 billion pesos (for items consisting of "publications, printing, and advertising") from the General Budget of the Nation to reinforce President Samper's image.

Another side of the strategy is that of the bureaucratic appointments and sinecures for key members of Congress who are to initiate the judgment of the president, beginning, obviously, with the Chamber's Accusations Committee. Already widely publicized is the case involving its vice chairman, rewarded with the management of the ICA [Colombian Agricultural-Livestock Institute] and the position of director of the Local Roads agency for two members of his political group. It is not difficult to guess what may have been received (in the Urra project, for example), and what will be received by Mr. Heyne Mogollon.

The imminent adjudication of 180 FM broadcasting stations throughout the country is another tool available to the government for tempering criticism and taming consciences; not to mention the bidding on zonal television channels, the satellite network, national long-distance, etc. Out of mere decency and fundamental respect, the entire adjudication process should be frozen while the judgment of the president is being resolved in Congress. Would that be too much to ask?

To concoct popular support and buy political backing is not a difficult task for a government with that intention. All that it needs is firmness of purpose and the availability of the budget; and the government does not lack any of that.

Confusing this strategy with the government's public mission or social implication is something else. The fact is that its record in this area has been little less than deplorable thus far. On the other hand, as ex-Finance Minister Hommes charged on Saturday, the tax benefits and those of other kinds to the economic groups that supported Samper are extensive and generous.

In short, something is changing from spontaneous support to trumped-up demonstration, and from a popular to a populist policy which, in the long run, is the kind that is most detrimental to a people. But the people

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are tractable, and can mistake one for the other. And they can even believe that there is a desire to overthrow Samper because he is president of the poor and not, for example, because he has lied to the country.

Hence, the saying that the people are superior to their leaders does not always prove to be true. There are situations in which it would have to be said, rather, that every people have the president that they deserve. Let us hope that this does not apply to us.

Colombia: Analyst Views 'Dilemma' Facing Samper

96SM0092A Santa Fe de Bogota EL TIEMPO in Spanish 4 Feb 96 p 17A

["Analysis" by Hernando Gomez Buendia]

[FBIS Translated Text] This crisis has been falling between the deepest, hidden splits in Colombian society, and it is exacerbating them:

At first, it was the moral split. The "new country" feels a just and holy wrath because "narco-corruption" reached the very top level of the state. But the everyday country thinks that receiving money from the "narcos" is not so serious, nor even so rare. That is why the polls repeat that Samper did know about it, and yet he should not leave.

We shall presently be encountering the political split. The "national country" attempted to put an end to the regional political leaders by changing the Constitution. But the regional political leaders arrived in Congress because they are not dependent on the Constitution, but rather on patronage. And the regional political leaders have an account to collect on.

Lurking after us later will be the social split. Although no one would admit it, Colombia has 17 million hard-working people in poverty, and the "establishment" is surmounting the widespread hatred of those below.

The presidency has for some time been the binding point among those six fragmented countries. The president makes the social policy for those below, and the economic policy for those above. He holds dialogue with the public, but negotiates with the Congress. He heads the official war against drugs, but attempts to limit the interference of the United States. And for this reason, by striking precisely at the binding point, this crisis is polarizing, confusing, and frightening Colombians.

Hence, three sixths of Colombia want Samper's downfall; but the other three sixths are left him. He retains the political country, in that hodgepodge of partisan solidarity, bureaucratic allure, and veiled appeal for a common revenge against the media: it is the part of the trial in the Congress. He retains the popular country, with Serpa's speeches, Solidarity's charity, and, why not?, incidents with Venezuela: it is the part which will potentially occur with the referendum. And he retains the desperate appeal to "narco-nationalism," implied or overt, if the United States ever goes so far as to push him.

The other three sixths of the country could make a fuss, in a crescendo no less sickly or explosive. The "natural judge" of the president is even less credible than the president, so that the Congress is faced with the dilemma of convicting Samper or being pulled by the tide (and therefore a "rightful" or "impartial" verdict is already completely impossible). There would be a retort to the legalist, populist, or chauvinist discourse, on the one side, from the moralist, elitist, and pro-imperialist discourse, in turn, on the other. And all with the threefold specter of violence, the military coup, and the United States as a backdrop.

Each turn of a tailspin tends to precipitate the next. But the very fear of hastening the maelstrom is already opening spaces for negotiation. President Samper could resign without the popular country losing, provided that his successor maintained the Social Leap; without the Congress losing, if the crisis is circumvented before the incipient judgment; and without national sovereignty losing, if the United States maintains the present certification. On the other hand, Doctor Samper cannot remain in the presidency without, by that very act, ruining half of Colombia, and without all of Colombia risking the nightmare of going into a tailspin.

Ernesto Samper is an intelligent and good-hearted man. As we all know, his mistakes are not due to corruption; they are due to weakness. At present, life has locked him in an infernal dilemma. He could resign and allow someone else to rebind the country promptly. But his sense of honor obfuscates that path. Or he could remain (let no one doubt it) entrenched in three pieces of Colombia. But he would no longer be president of all Colombians. At this time, perhaps he may be aided by an old reflection of Socrates: "My honor does not lie in the verdict of judges; it lies in the conscience of my fellow citizens."

Colombian Guerrillas React to Crisis, Demand Referendum

PA1102213496 Santa Fe de Bogota EL TIEMPO in Spanish 9 Feb 96

[Received via Internet]

[FBIS Translated Text] The Colombian guerrillas made their first statement yesterday regarding the crisis affecting President Ernesto Samper's government.

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The UC-ELN [Camilist Union of the Army of National Liberation] issued an extensive communique, pointing out that today the political system, its legitimacy, and institutions "are cracking and falling apart" just like "the bridges in the country's main highways."

"Another referendum is required," so states the UC-ELN's letter dated Monday.

According to the aforementioned subversive organization, this situation can only be resolved through a "national convention" with the participation of social and political organizations, unions, the church, and the guerrillas, among others.

It also stated that the current crisis not only concerns the Samper government, "it goes farther back; it questions the governments that preceded his," the communique reads.

The letter, which was sent to the "CM&" newscast, asserted that the disclosure of the crisis has shown that there are two countries: one such government is that of the powerful, of those who rule, those who make the laws, and those who are the subjects of a complaisant justice; the other government is that of the dispossessed.

In concluding, the letter stated that today's political situation is not a matter of discussion with the rebels, but with the ruling classes.

Humanization of War

Speaking of the ELN, at a news conference held yesterday at the Colombian Bishops Conference, it was learned that talks with this guerrilla group and the EPL [Popular Liberation Army] are being considered to humanize war. The members of the National Conciliation Commission, which the Catholic Church leads, have already held talks with the ELN Central Commando Unit through the radio.

A workshop was recently held at the Itagui maximum security prison (Antioquia). "Francisco Galan," "Felipe Torres," (ELN spokesmen), and EPL's "Francisco Caraballo" (the three of them are confined to this prison) and National Conciliation Commission members participated in this workshop.

Basically, they are seeking the signing of a humanitarian agreement among the government and the guerrilla organizations that are willing to put an end to war.

Augusto Ramirez Ocampo, former foreign relations minister and National Conciliation Commission member, said that "a favorable ambiance prevails today among the rebels to unify opinions and move forward in this direction."

In order to make known the international human rights guidelines, the Bishops Conference, the Human Rights Ombudsman's Office, the International Red Cross, and the Network of Initiatives for Peace and Against War [Red the Iniciativas para la Paz y Contra la Guerra] have gotten together. Human Rights Ombudsman Jaime Cordoba pointed out that "even the war has limits," adding that "a human agreement among the fighters is necessary to stop the symptoms of barbarism and decomposition of the Colombian armed conflict."

Meanwhile, Ana Teresa Bernal, a member of the Network of Initiatives For Peace and Against War, insisted that the peace issue cannot be limited to a negotiated solution of the conflict and that this is why the Network, which groups more than 200 organizations, is scheduled, among other things, to promote Article 22 of the Constitution and to mark the Week of Peace.

The aforementioned article stipulates that peace is a right and an obligation that must be compulsorily complied with. Through the regulation of this norm, the active participation of ordinary citizens in facts of peace is sought.

The Human Rights Ombudsman's Office announced that it will submit a draft bill on this article in March, once Congress starts holding its regular sessions.

Reto Meister, an International Red Cross Committee member, underscored that the organization he heads voices its solidarity for this campaign to make known the human rights guidelines, because "even though it is not peace yet, it is a step to achieve it, and the Committee is fervently helping in this regard."

Colombian Government, Guerrillas Agree To Peace Talks

PA1002191896 Madrid EFE in Spanish 2345 GMT 9 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 9 Feb (EFE) — The Colombian Government and the "Jaime Bateman Cayon" guerrillas, a dissident group of the 19 April Movement [M-19], agreed today, 9 February, to open a peace dialogue on 1 March, the country's presidency announced today.

The Presidential Office of the High Commissioner for Peace said that both sides agreed to hold a first round of talks, which will last three months, until 30 May.

Presidential delegate Daniel Garcia-Pena, who signed the agreement with the guerrillas, explained that during this time period international humanitarian rights and the guarantees for their possible reinsertion into civilian

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society will be discussed, before going into the second round to discuss the surrendering of weapons.

Garcia-Pena added that, meanwhile, a "detente zone" will be guaranteed in Miranda Municipality, Cauca Department, in the southwestern part of the country. This area was chosen last December to be the place for rebels to assemble without being pursued by the Army.

M-19 was dissolved on 9 March 1990 after 16 years of rebel activity and its members returned to civilian life and founded a political party, the 19 April Movement Democratic Alliance.

Some 500 men, however, decided to remain up in arms under the name Jaime Bateman Cayon, one of the founders of M-19, who was killed in a plane accident on his way to Panama in 1983.

Venezuela Readopts Order on Purchases From Colombia

PA0902161796 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 6 Feb 96

[Report by Guillermo Donado from the "RCN Radio Events" newscast]

[FBIS Translated Text] The Central Bank of Venezuela moments ago accepted the recommendation of President Rafael Caldera's government to readopt the payment order mechanism to handle purchases from Colombia. Venezuelan Ambassador to Colombia Abdon Vivas Teran confirmed that the Central Bank has made this decision after receiving the final report from a commission that had been studying mechanisms to pay for purchases in our country. In this regard, Colombian Development Minister Rodrigo Marin Bernal has said the following about his trips to Venezuela to negotiate this issue:

[Begin Marin recording] I went there to meet with representatives of the Venezuelan Government. During my second trip I met with the Central Bank of Venezuela Board of Directors to demand the reestablishment of the payment order mechanism that had been eliminated in early January by virtue of a decision made in late 1995.

About 30 minutes ago, I received a call from Venezuelan Development Minister Werner Corrales advising me that the Central Bank decided during a meeting yesterday to reestablish the payment order mechanism and thus to eliminate a financial restriction that had been adversely affecting binational relations. [end recording]

Ecuador

Ecuadoran Military Chief on Receipt of Israeli Planes

PY0902150796 Madrid EFE in Spanish 1305 GMT 9 Feb 96

[FBIS Translated Text] Quito, 9 Feb (EFE) — General Jorge Ortega, chief of the Ecuadoran Armed Forces Joint Command, has reported that the four "Kfir" planes purchased from Israel arrived in Ecuador on 8 February. Ortega added that the Kfir planes are at one of the Ecuadoran Air Force bases.

According to the radio station "Radio Vision," Gen. Ortega said that the planes arrived at the Taura Air Base, 80 km east of Guayaquil, a city approximately 420 km southwest of Quito.

Moreover, Defense Minister Alfonso Alarcon has reported that the Ecuador-Peru Military Observers Mission (MOMEP), which is in charge of controlling the border in compliance with the peace agreements signed last year by Peru and Ecuador, has been informed about the arrival of the planes.

The MOMEP comprises military from Argentina, Brazil, Chile and the United States. They are guarantor countries of the 1942 Rio de Janeiro Protocol that established the borders between Ecuador and Peru and of the Itamaraty (Brazilian Foreign Ministry) agreement signed on 17 February and ratified in Montevideo on 1 March 1995.

Alarcon denied Jerusalem press reports stating the acquisition of the four "Kfir" planes cost Ecuador $40 million. He added that the cost of the planes totaled $13 million.

Alarcon insisted that negotiations for purchasing the hunter jets to replace dated materiel started before the undeclared war that Ecaudor and Peru waged between 26 January and 28 February 1995 over an unmarked border territory.

Ecuador and Peru are adhering to the Itamaraty peace agreement and they are about to hold direct negotiations to discuss the territorial issue for the first time in more than half a century.

Ecuadoran Army Readies For Meeting With Peru's Commanders

PY0902204596 Quito Voz de Los Andes in Spanish 1700 GMT 9 Feb 96

[FBIS Translated Text] The Ecuadoran Army has prepared several schemes to ensure that bad weather will not spoil the first meeting tomorrow — after more than

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50 years — by the military commanders of Ecuador and Peru in the presence of military representatives of the guarantor countries.

General Jorge Ortega, chief of the Armed Forces joint command, disclosed that at least three different schemes have been prepared to cater for the changing weather conditions in the border zone where the meetings with his Peruvian counterpart General Nicolas de Bari Hermoza will be held.

The general asserted that during the past two days the weather has been good. He said, however, they have prepared at least three alternatives in case it deteriorates.

The alternatives will be implemented in case flights to the border are delayed by two, three, or four hours. Ortega said there is a specific program for each situation.

Ortega added that if the weather is very bad the ceremony will be held in Quito, but it will be a much more simple one.

He thus revealed that all arrangements have been made to receive the military chiefs of Argentina, Brazil, Chile, and the United States, the guarantor countries of the Border and Pacification Agreement between Ecuador and Peru.

Ortega explained that the only change from the chosen program is the site where the meeting between the Ecuadoran and Peruvian commanders, with military representatives of the guarantor countries, will be held.

The meeting was scheduled to be held in Patuca, Ecuador's theater of operations during the war with Peru last year, but it will now be held in Cahuide, on the border between the two Andean countries in conflict.

Ortega said that after the meeting at that border post, military authorities and journalists accredited to the zone will return to Patuca. He explained that the military representatives of the guarantor countries will arrive in Ecuador at 1000 on 10 February.

Gen. Hermoza is scheduled to travel to Ecuador on 11 February. The meetings between the military chiefs of the guarantor countries and the meeting Hermoza and Ortega are being held at the initiative of the Ecuador-Peru Military Observers Mission (MOMEP) and the chief of the U.S. Southern Command.

Ortega said the Armed Forces believe this visit of the military chiefs of the guarantor countries and the chief of the Peruvian Armed Forces joint command will be very positive because it contributes to promote measures of mutual confidence and detente between Ecuador and Peru.

The general added that the meeting of the military chiefs creates the necessary conditions for the governments of Quito and Lima to begin direct dialogue on the territorial issue.

Ecuador Grants Salary Increase to Public Workers

PY0902221096 Madrid EFE in Spanish 0044 GMT 9 Feb 96

[FBIS Translated Excerpt] Quito, 8 Feb (EFE) — The government of conservative President Sixto Duran-Ballen granted today a 35 percent salary increase to public workers. This measure helped to end the strikes by workers of state hospitals, penitentiaries, civil registry, and the Government Ministry.

Finance Minister Ivan Andrade said: "We must meet the demands of the public servants, and an adjustment to the fiscal budget is the best way to do it."

After a tense three-hour meeting between labor leaders and government representatives, the government officials accepted the salary demands while hundreds of public employees were holding a peaceful demonstration near Carondelet Palace, the government house.

The salary increases, which represent a monthly disbursement of 170 million sucres ($58.62 million), went into effect on 1 February and will benefit 48,000 public employees. [passage omitted]

Venezuela

Venezuela's State Banks Exempted From Reserve Minimum

PA1002024496 Caracas ECONOMIA HOY (INDICADORES Supplement) in Spanish 9 Feb 96 p 8

[FBIS Translated Text] As a result of the capital flight problem, state banks will be exempted from the application of the special new annual minimum legal bank reserve, which will go into effect today, 9 February.

It is worth noting that last year, the Financial Emergency Board (JEF) decided to exempt state banks from the legal provisions on bank reserve minimums, which the General Bank Superintendency began enforcing. According to this norm, it is understood that Consolidado, Venezuela, Republica, and Latino Banks do not have to report any type of legal bank reserves.

In this regard, Jacques Vera, president of Banco de Venezuela, said the effects of this measure will especially affect private banks and that in a few months, this private sector will begin experiencing losses.

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Meanwhile, Alfonso Espinoza, president of Banco Latino, said the new legal bank reserve provision, is not applied to them because they do not have excess liquidity.

As for the legal bank reserve topic, the Central Bank of Venezuela and the General Bank Superintendency will meet today to study the effects of the provision on the financial system.

Venezuela's Business Leaders Reject Salary Increases

PA0902231096 Caracas EL GLOBO in Spanish 8 Feb 96 p E2

[Report by Raquel Barreiro Calderon]

[FBIS Translated Text] Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] President Jorge Serrano has rejected yesterday's government announcement raising the overall earnings of private sector workers to 45,000 bolivares a month and the minimum wage from 15,000 bolivares to 22,000 bolivares a month.

Serrano attended last night's inaugural event of the Venezuelan Food Industry Chamber's 10th National Assembly held at the Caracas Hilton Hotel. He said the announcement made yesterday by Labor Ministry Juan Nepomuceno Garrido does not fit in to the agreements reached during the tripartite meetings attended by representatives from the CTV [Venezuelan Workers Confederation], Fedecamaras, and the government. The Fedecamaras leader announced he will summon all the chamber-members of Fedecamaras today to meet and study the consequences of the measure and make a relevant statement.

When asked about the wage increase, Conindustria [Venezuelan Council of Industry] President Pedro Carmona Estanaga, in turn, said he also disagrees with the measure. According to Carmona, the increase, raising overall earnings from 31,000 bolivares to 45,000 bolivares a month, may not hurt big businesses but it will hurt small industries, which employ the majority of labor and pay close to minimum wage.

The spokesmen for the business sector recently expressed their willingness to accept the wage increases as long as they are paid in bonds and have no bearing on social benefits. It should be emphasized that a minimum wage of 40,000 bolivares a month was the amount negotiated during the tripartite meetings until the talks ended on 9 January. The business sector, however, always placed the amendment of the social benefits system as a condition to accepting the raise so it would not have a retroactive bearing on social benefits.

Venezuelan Unions Agree To Reject Wage Increase

PA1002224796 Caracas EL UNIVERSAL In Spanish 9 Feb 96 p 2-1

[Report by Luis Manuel Escalante]

[FBIS Translated Text] Caracas — During a general assembly held in Central Park's Hall 1, summoned by the Federal District United Workers Federation, and attended by national leaders of the four workers confederations, it was unanimously agreed to reject the decree increasing the minimum wage, which was approved on 7 February in Miraflores Palace.

It was also agreed to reject the Social Benefits Bill the Labor Ministry drafted. Federico Ramirez Leon, CTV [Venezuelan Workers Confederation] president, in his speech said that if this bill is submitted to the National Congress, a nationwide strike will be declared immediately. A nationwide strike will also be declared if Congress approves the minimum wage decree or if it is intended to again resort to labor regulations in the public sector prior to sitting down to discuss collective contracts at the various official bodies, as it has been agreed upon.

Offensive

The decree increasing the minimum wage was rejected because "it fails to meet the income needs necessary to offset the increase in the cost of living, because it fails to resolve the country's hunger problem, and because it fails to address the minimum petitions the CTV made to the Tripartite Commission. In addition, the decree is offensive to the workers' dignity."

Due to these considerations, each one of the political blocs represented in the CTV and in the other workers unions agreed to urge their respective parliamentarian blocs to reform the aforementioned decree, according to Article 22 of the Labor Law, by adjusting it to real needs prior to returning it to the president.

If the government insists on enforcing it, all the union leaders will remain alert to start actions of conflict throughout the country, according to the agreements approved at the Central Park general assembly. At this assembly, it was also agreed to insist on giving priority attention to the social security problem and to the radical and immediate change in the compulsory social security and to suspend the payments of the obligatory strike insurance [seguro de paro forzoso] and the Housing Policies Law until they are completely changed.

CTV Secretary General Carlos Navarro said that he still hopes that Congress will listen to their proposals and will proceed to make the pertinent corrections. "The

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objective is to find answers for the country. We have not become radical or extremists; we are merely defending a right."

State of Alert

Public employees also remain alert to the attitude the government may take regarding the discussions on collective contracts at the various official bodies. In this regard, Carlos Borges, Fedeunep [Federation of Government Employees] president, pointed out that "if they are again planning to impose labor regulations on us, we will again go on strike." He recalled that they already proved their summoning capacity when they declared a strike and it was heeded the next day, adding that they already proved their ability to sit down to hold talks with the parties involved and to order their workers to return to their jobs, as it was already done. "We have this capacity, and we are willing to use it any time."

As for the decree increasing the minimum wage, he stressed his rejection to it, because a discriminatory clause was included in it, "as if we, public workers, were different from the workers of the private sector. We all have the same needs." This is why he emphasized that he will continue his fight and that the decree that was approved in Miraflores Palace "is indifferent to us."

He then added that, in the public sector, "the minimum wage of public employees must be to the tune of 140,000 bolivares for teaching support personnel and to the tune of 200,000 bolivares for professionals."

Social Benefits

Another aspect broached yesterday at the Central Park assembly was that of social benefits. In this regard, the various people speaking agreed that "neither Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] nor the government, through the Labor Ministry, which is the most anti-worker ministry in the history of labor in Venezuela, can or must change a system that constitutes a benefit for the worker and his family," as CTV's Emilio Plat said.

Meanwhile, Ramirez reaffirmed that "the national executive branch must not forward this draft bill as it is. It must be the result of a major national consultation; otherwise, it will not be viable." In this regard, in his speech, he said that if the government insisted on this plan and if it forwards it to Congress, a nationwide strike will be declared. Later, when he was making statements to the media, Rmirez underscored that "no actions of conflict are being ruled out, and if there is a need to go on strike, we will go on strike."

Venezuelan Minister: 'Absolutely No Risk' of Coup

PA0902143396 Caracas Venezolana de Television Network in Spanish 0200 GMT 6 Feb 96

[Report by Pedro Prado]

[FBIS Translated Text] Interior Minister Ramos Escovar Salom has confirmed the arrest of several Bolivarian 200 Revolutionary Movement [MBR 200] members who are allegedly linked to plans to destabilize public order and to encourage protest marches in the coming days.

Several members of the MBR 200 have been under arrest at the Disip [Directorate of Intelligence and Prevention Services] since last week, and Escobar Salom has refrained from disclosing the number of people being detained, although he did say they were not that many.

The interior minister once again has rejected allegations about the likelihood of another insurgency movement:

[Begin Escovar recording] There is absolutely no risk of another coup attempt at this time. Those rumors circulating around the city are completely baseless. What the country is seeking is to pull out of the economic crisis it is undergoing by resolving the socioeconomic issue without having to run any risks by causing an armed revolt or social chaos, which will not benefit anyone. [end recording]

The cabinet member has said nearly 50 social demonstrations, 39 of which were peaceful while 11 were violent, took place in January. He added that electoral irregularities motivated the protests over the increase in public transportation fares, the high cost of living, and inadequate utility services.

In addition, there were also 47 student demonstrations, 43 of which were violent:

[Begin Escovar recording] The government anticipates that the university administration—I have also expressed this matter to the authorities—as well as the student community in general will adopt measures so there will be no more incidents of this type. It is not possible for a minority to have so much influence and uncontrolled power. [end recording]

The interior minister has refrained from issuing an opinion on reports appearing in the country's newspapers linking the president of the Republic with the 4 February 1992 coup attempt.

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Venezuelan Defense Minister: Armed Forces Remain United

PA1002004196 Caracas EL GLOBO in Spanish 7 Feb 96 p 2

[Report by Judith Martorelli]

[FBIS Translated Text] Defense Minister General Moises Orozco Graterol reacted to the rumors of coups d'etat by saying that the Venezuelan Armed Forces continue to be united. Thus, he agrees with the statement made by Interior Minister Ramon Escovar Salom, who denied the possibility of a military insurrection.

The defense minister said: I am certain there is no possibility of a coup d'etat. There is a great union and unity in every aspect linked to the activity of the Armed Forces.

Gen. Orozco Graterol added that currently, there is a close cooperation with the civil authorities to maintain public order. "I am fully convinced that once the measures (linked to a salary increase) are adopted, the disturbances will subside," he explained.

The minister went to Miraflores to present to President Rafael Caldera 89 files of military recruits tried mostly on grounds of desertion and the perpetration of minor crimes such as petty thefts.

President Caldera authorized the dismissal of charges for the 89 troops, who received a presidential pardon in keeping with the Military Justice Code.

Orozco said: I want to alert the relatives of the tried military members so that they will not be deceived by some lawyers who ask them for money to obtain this pardon.

He explained that there is a permanent commission studying the situation of each one of the tried military members. This commission is made up by members of the Military Justice Directorate.

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